

State of Iowa

LFB

70th General Assembly

FISCAL REPORT 1984 SESSION

Including Enrolled Bills



DENNIS C. PROUTY
DIRECTOR
515/281-5279

STATE CAPITOL
DES MOINES, IOWA
5C319

STATE OF IOWA
LEGISLATIVE FISCAL BUREAU

June 11, 1984

Members of the 70th G.A. of Iowa
and Other Interested Citizens:

The Fiscal Report of the Legislative Fiscal Bureau compiles the appropriations and ways and means actions of the 1984 session of the 70th General Assembly. This report is intended to aid legislators, state officials and others as a comprehensive reference containing General Fund receipts and appropriations, bill summaries, and copies of enacted legislation.

If you have any questions, please contact a member of the Legislative Fiscal Bureau staff.

Yours truly,

Dennis C. Prouty
Director

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LETTER

From Dennis C. Prouty, Legislative Fiscal Director

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ENROLLED BILES

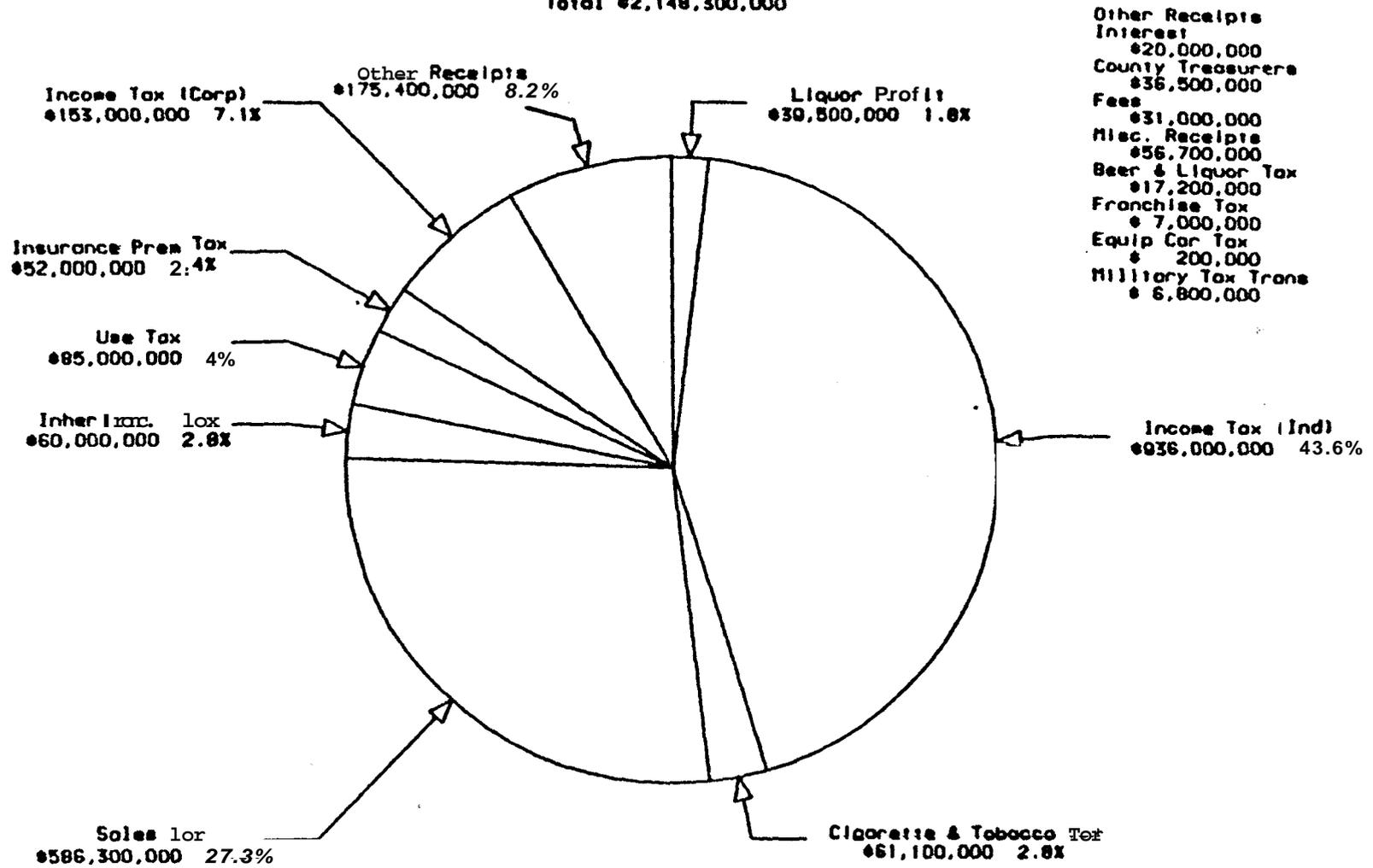
This section contains all enrolled bills containing appropriations, ways and means, federal block grant legislation, and bonding legislation, as well as any veto messages from the Governor affecting the legislation. The sections are arranged in numerical order.

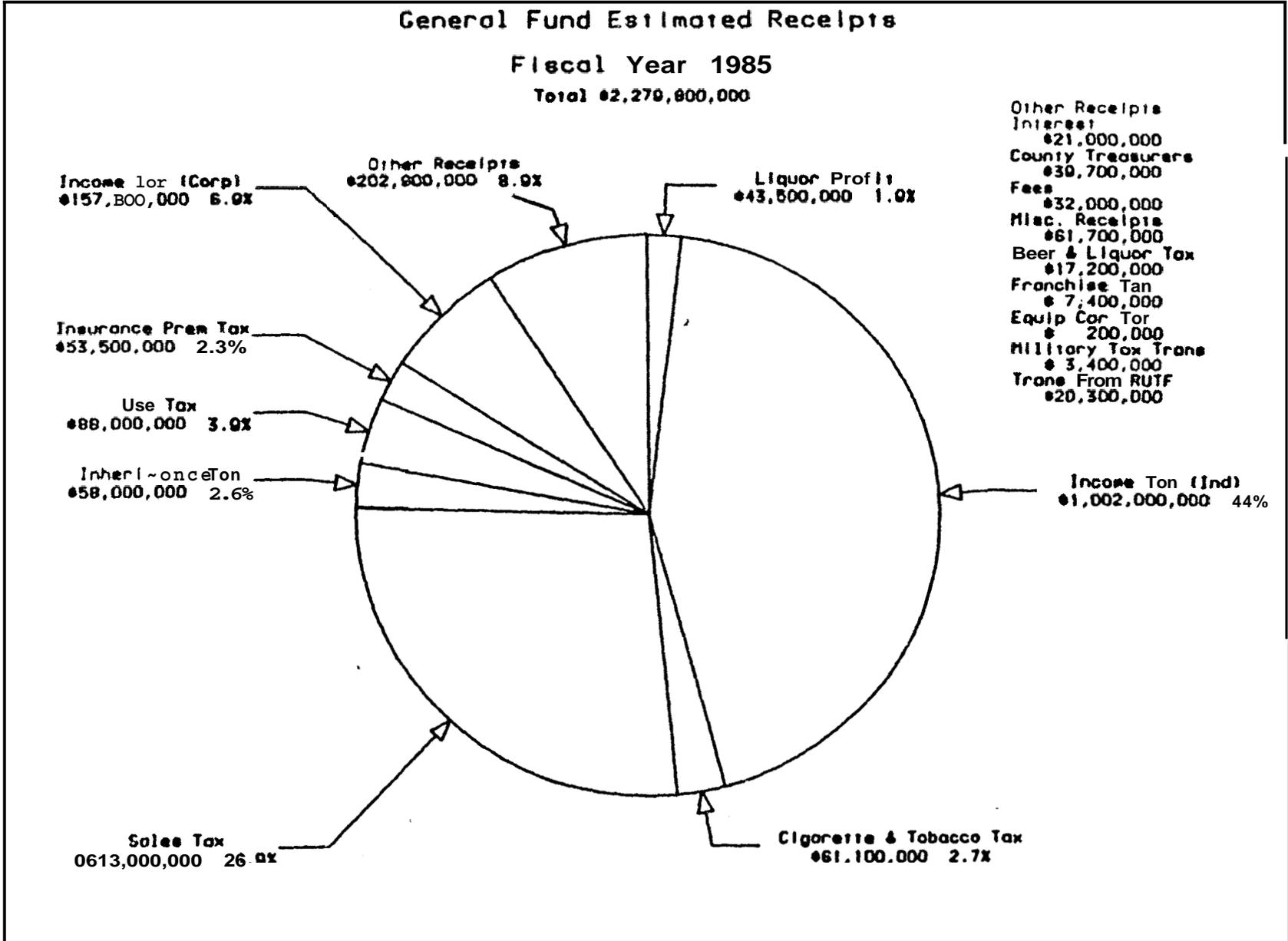
FISCAL INFORMATION

General Fund Estimated Receipts

Fiscal Year 1984

Total \$2,148,300,000

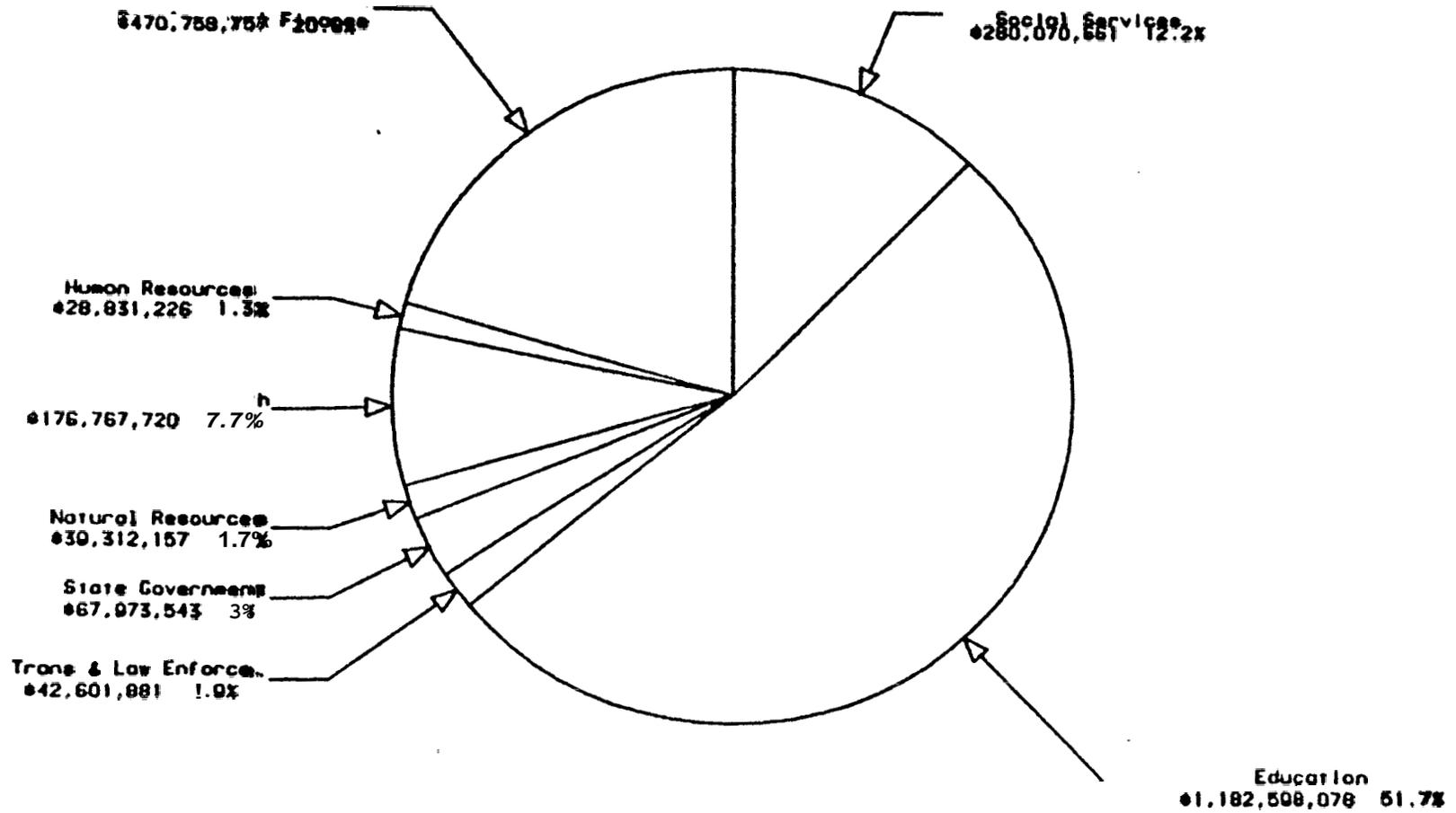




General Fund Appropriations

Fiscal Year 1085

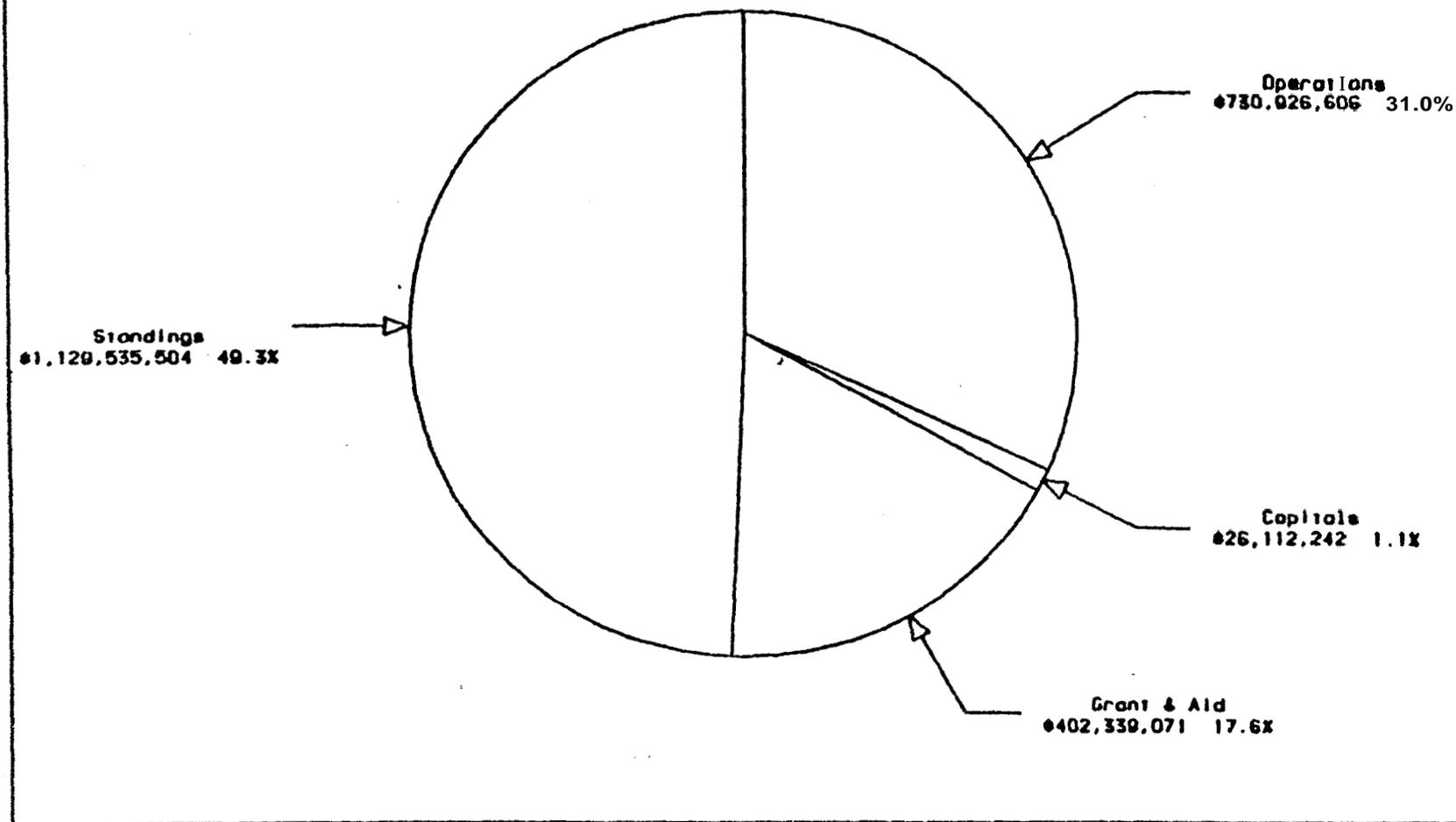
Total \$2,288,013,423



General Fund Appropriations

Fiscal Year 1985

Total \$2,288,913,423



General Fund Appropriations
Legislative Fiscal Bureau

TR1

	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Corr and Ment Health	170,378,164	168,236,032	167,926,211	8,841,509	
Education	1,087,841,374	1,155,530,507	1,156,643,031	25,955,047	
Human Resources	22,197,261	27,960,195	27,682,725	1,148,501	
Natural Resources	40,175,580	49,347,400	38,272,985 ✓	1,039,172	
Regulatory & Finance	473,729,111	488,055,619	466,294,379 ✓	4,463,778	
Social Services	264,616,040	276,675,367	278,059,000	2,011,661	
State Government	59,015,740	69,363,299	66,065,485 ✓	1,908,058	
Trans & Law Enforce	40,236,363	41,800,731	40,983,307	1,618,574	
	<u>2,158,189,633</u>	<u>2,276,969,150</u>	<u>2,241,927,123</u>	<u>46,986,300</u>	
Salary Adjustment		46,986,300	46,986,300		
Total Appropriations	<u>2,158,189,633</u>	<u>2,323,955,450</u>	<u>2,288,913,423</u>	<u>46,986,300</u>	
Operations	673,380,788	688,770,572	687,878,793	43,047,813	
Grant and Aid	366,409,016	397,625,899	398,400,584	3,938,487	
Capitals	31,209,118	37,684,600	26,112,242	0	
Standings	1,087,190,711	1,152,888,079	1,129,535,504	0	
	<u>2,158,189,633</u>	<u>2,276,969,150</u>	<u>2,241,927,123</u>	<u>46,986,300</u>	
Salary Adjustment		46,986,300	46,986,300		
Total Appropriations	<u>2,158,189,633</u>	<u>2,323,955,450</u>	<u>2,288,913,423</u>	<u>46,986,300</u>	

General Fund Appropriations
Legislative Fiscal Bureau

TR 1

Corr and Ment Health	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Corrections, Dept					
Corrections, Board					
Salaries, Supp, Maint	145,801	0	-0-		
General Admin.					
Salaries, Supp, Maint	1,064,341	1,706,468	1,706,468	82,571 S.F.	2333
Standing	0	120,000	120,000		
	1,064,341	1,826,468	1,826,468	82,571	
Corrections Service					
Classification Sys	131,221	132,467	161,472	11,985 S.F.	2333
Training Center	297,433	300,717	300,717	7,975 S.F.	2333
Federal Prisoners	379,081	398,520	398,520	S.F.	2333
Legal Services	24,301	25,000	25,000	S.F.	2333
County Confinement:	46,171	47,500	47,500	S.F.	2333
	878,207	904,204	933,209	19,960	
Community Based Corr					
Parole Services	1,128,979	1,200,402	1,200,402	38,501 S.F.	2333
Work Release Houses	1,369,549	1,410,618	1,408,318	49,604 S.F.	2333
Comm Corr-Pgm & Serv	13,734,361	13,559,400	13,559,400	566,000 S.F.	2333
	16,232,889	16,170,420	16,168,120	656,105	
Correctional Instit					
Men's Penitentiary	15,806,665	15,662,373	15,617,588	1,038,356 S.F.	2333
Men's Reformatory	10,775,593	10,698,560	10,677,696	646,840 S.F.	2333
Oakdale -IS & MF	4,693,789	6,628,261	6,609,712	473,517 S.F.	2333
Riverview Release	1,825,417	1,856,694	1,849,063	82,940 S.F.	2333
Mt. Pleasant MSU	4,276,801	6,876,412	6,864,213	409,060 S.F.	2333
Rockwell City - MSF	1,711,207	1,755,983	1,749,670	236,977 S.F.	2333
Clarinda - CTU	2,632,177	2,671,142	2,665,238	263,682 S.F.	2333
Women's Correct Inst	2,035,855	2,090,298	2,087,194	351,882 S.F.	2333
	43,757,504	48,239,723	48,120,374	3,503,254	
Capitals					
Capital Improvements	580,284	255,000	255,000	S.F.	2333
Fort Madison Capital	942,841	0	-0-		
Mt Pleasant & Oakdal	6,347,161	0	-0-		
	7,870,286	255,000	255,000	0	
Total Corrections, Dept	69,949,028	67,395,815	67,303,171	4,261,890	
Parole, Board of					
Salaries, Supp, Maint	427,681	417,472	417,472	12,914 S.F.	2333
Human Services, Dept					
General Admin.					
Standings	156,104	45,500	45,600		

General Fund Appropriations
Legislative Fiscal Bureau

TR 1	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Corr and Ment Health					
Marshalltown Vet Hom					
Salaries, Supp, Maint	17,151,913	17,858,523	17,810,507	758,522 S.F.	2333
MH / MR / DD					
Mental Retarded Sch	47,011,753	47,532,810	47,400,996	2,235,519 S.F.	2333
Mental Health Inst	30,216,565	30,410,362	30,373,015	1,572,664 S.F.	2333
Mental Health Fund	2,293,921	3,360,000	3,360,000	S.F.	2333
	79,522,239	81,303,172	81,134,011	3,808,183	
Capitals					
Capital Improvements	428,652	937,000	937,000		S.F. 2333
Hospital School Caps	2,645,347	278,450	278,450		S.F. 2333
Municipal Waste	97,200	0	-0-		
	3,171,199	1,215,450	1,215,450	0	
Total Human Services, Dept	100,001,455	100,422,745	100,205,568	4,566,705	
Operations	143,081,821	149,608,082	149,298,261	8,273,509	
Grant and Aid	16,098,754	16,991,900	16,991,900	568,000	
Capitals	11,041,485	1,470,450	1,470,450	0	
Standings	156,104	165,600	165,600	0	
Total Corr and Ment Health	170,378,164	168,236,032	167,926,211	8,841,509	

General Fund Appropriations
Legislative Fiscal Bureau

TR1

Education	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Blind, Iowa Comm for					
Salaries Supp, Maint	1,023,543	1,049,821	1,049,821	34,349	H.F. 2519
Capital Improvements	15,884	2,100	2,100		S.F. 2361
Total Blind, Iowa Comm for	1,039,427	1,051,921	1,051,921	34,349	
Educ Radio and TV					
Salaries, Supp, Maint	5,851,576	6,162,445	6,156,717	157,297	H.F. 2519
Capital Improvements	97,201	0			
Total Educ Radio and TV	5,948,777	6,162,445	6,156,717	157,297	
College Aid Comm					
Salaries, Supp, Maint	391,601	424,465	424,465	10,198	H.F. 2519
Tuition Grant Prog	0	1,366,900	1,366,900		H.F. 2519
Osteopathic Sub Prog	762,049	739,264	789,264		H.F. 2519
Optometry Admission	29,161	0			
Natl Guard Enlist	24,301	24,300	24,300		H.F. 2519
Tuition Grant			50,000		S.F. 2361
Tuition Grant Stand	18,629,936	19,166,600	19,166,600		
Scholarship Prog St	340,201	350,000	350,000		
Voc Tech Grant Stand	653,643	672,472	672,472		
Supp Grant Math + Sc	0	1,500,000	1,500,000		
Guaranteed Loan Pay	29,161	60,000	30,000		H.F. 2519
Math + Sc Loan Prog	38,881	140,000	40,000		H.F. 2519
Total College Aid Comm	20,898,934	24,494,001	24,414,001	10,198	
Public Instruction					
General Office					
Salaries, Supp, Maint	3,555,514	3,607,331	3,578,008	183,619	H.F. 2519
Prof Teaching Pract	56,323	56,984	56,984	3,697	H.F. 2519
Computer Planning	9,721				
Computer Clear House	0	250,000	200,000		H.F. 2519
	3,621,558	3,914,315	3,834,992	187,316	
Merged Area Schools					
Voc Educ Sal & Supp	871,034	878,934	878,934	21,934	H.F. 2519
General Aid	41,156,060	55,048,203	55,048,204	2,484,400	H.F. 2519
Equip Replacement	0	0	500,000		S.F. 2361
Voc Youth Org Fund	9,721	9,720	9,720		H.F. 2519
Federal Match Funds	8,456,401	8,456,400	8,456,400		H.F. 2519
Industrial Startup	267,301	200,000	75,000		H.F. 2519
DMACC World Trade	0	100,000	-0-		
	50,760,517	64,693,257	64,968,258	2,506,334	
Elementary & Second					
School Lunch Assist	3,207,601	3,207,600	3,207,600		H.F. 2519
SBRC Supple Aid	29,161	30,000	30,000		H.F. 2519
Voc Educ Sec Schools	3,520,585	3,760,668	3,760,653		H.F. 2519

General Fund Appropriations
Legislative Fiscal Bureau

TR1

Education	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Public Instruction					
Elementary & Second					
Transtional English	194,401	194,400	194,400		
Child Foster Care	233,281	225,000	225,000		H.F. 2519
Certification Fee	5,055	5,200	5,200		
School Aid	664,088,586	707,000,000	707,000,000		
AEA Juvenile Homes	558,901	625,000	625,000		
AEA District Court	243,001	300,000	300,000		
AEA Certain Children	170,101	200,000	200,000		
Math, Science & Lang	0	2,130,975	2,100,000		H.F. 2519
Train Math & Science	38,881	140,000	40,000		H.F. 2519
	672,289,554	717,818,843	717,687,868	0	
Other Grants and Aid					
Non Public Textbooks	- 388,801	388,800	388,800		H.F. 2519
Fire Service Educ	194,401	0	200,000		H.F. 2519
Non Public Transport	5,823,492	6,058,000	6,058,000		
	6,406,694	6,446,800	6,646,800	0	
Vocational Rehab					
Salaries, Supp, Maint	2,669,487	2,696,181	2,696,181	40,560	H.F. 2519
Total Public Instruction	735,747,810	795,569,396	795,834,099	2,734,210	
Regents, Board of					
General Office					
Salaries, Supp, Maint	427,651	433,343	433,343	32,363	H.F. 2519
Fuel and Electricity	20,527,930		21,324,000		H.F. 2519
West Ia Contin Ed	97,201	102,060	102,060		H.F. 2519
Quad Cities Graduate	7,096	7,582	7,582		H.F. 2519
Fire Service Ed	0	204,120	-0-		
Capital Replacements	4,666,000	725,000	725,000		S.F. 2361
Tuition Replacements	12,070,001	16,283,000	15,111,842		H.F. 2519
	37,795,879	17,755,105	37,703,827	32,363	
State Univ of Iowa					
General University	103,638,928	114,453,162	104,122,153	8,494,347	H.F. 2519
University Hosp	24,010,479	24,494,998	23,958,998	1,237,870	H.F. 2519
Psychiatric Hosp	5,175,090	5,260,049	5,182,049	318,641	H.F. 2519
Hygenic Lab	2,004,888	2,027,713	2,027,713	157,423	H.F. 2519
Hosp School	3,632,872	3,738,894	3,631,894	279,527	H.F. 2519
Oakdale Campus	1,698,371	2,245,232	1,708,232	101,527	H.F. 2519
General Univ Supp			700,000		S.F. 2361
Family Prictice Prog	1,343,382	1,353,866	1,353,866	71,943	H.F. 2519
	141,504,010	153,573,914	142,684,905	10,662,276	
Iowa State Univ.					
General University	84,967,239	93,068,911	86,144,027	7,302,095	H.F. 2519
Ag-Home Exp St.	9,992,090	10,276,529	10,151,529	802,033	H.F. 2519

General Fund Appropriations
Legislative Fiscal Bureau

TR1

Education	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
<hr/>					
Regents, Board of Iowa State Univ.					
Coop Exten Service	9,582,800	9,658,897	9,658,897	1,073,789	H.F. 2519
General Univ Supp			550,000		S.F. 2361
SBDC	340,200	350,000	500,000		H.F. 2519
Meat Export Center			200,000		S.F. 2361
Muscatine Island			50,000		S.F. 2361
Research Center			60,000		S.F. 2361
Fruit Specialist			35,000		S.F. 2361
Dept Agronomy			22,000		S.F. 2361
Food Crops Research			200,000		S.F. 2361
Financial Software			200,000		S.F. 2361
Livestock Disease	291,601	291,600	300,000		
	<hr/>	<hr/>	<hr/>	<hr/>	
	105,173,930	113,645,937	108,071,453	9,177,917	
Univ of Northern Ia					
General University	33,399,158	36,319,249	33,900,569	2,750,604	H.F. 2519
General Univ Supp			300,000		S.F. 2361
	<hr/>	<hr/>	<hr/>	<hr/>	
	33,399,158	36,319,249	34,200,569	2,750,604	
Iowa Braille & Sight					
Salaries, Supp, Maint	2,227,252	2,434,611	2,272,611	239,095	H.F. 2519
Clothing & Trans	2,431	2,500	2,500		
	<hr/>	<hr/>	<hr/>	<hr/>	
	2,229,683	2,437,111	2,275,111	239,095	
Ia Sch for the Deaf					
Salaries, Supp, Maint	4,095,016	4,512,428	4,241,428	156,736	H.F. 2519
Clothing & Trans	3,889	4,000	4,000		
Tuition Reimburs	4,861	5,000	5,000		
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	4,103,766	4,521,428	4,250,428	156,736	
Total Regents, Board of	<hr/>	<hr/>	<hr/>	<hr/>	
	324,206,426	328,252,744	329,186,293	23,018,993	
Operations	319,808,563	323,800,177	325,148,553	23,397,704	
Grant and Aid	60,027,823	75,843,883	77,031,764	2,551,343	
Capitals	16,849,086	17,010,100	15,838,942	0	
Standings	691,155,902	738,876,347	738,623,772	0	
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Total Education	1,087,841,374	1,155,530,507	1,156,643,031	25,955,047	

General Fund Appropriations
Legislative Fiscal Bureau

TR1

Human Resources	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Aging, Commission On					
Salaries, Supp, Maint	196,345	231,577	231,577	35,943	S.F. 2334
Older Iowans Legis.	13,609	13,608	13,608		S.F. 2334
Title III Grants	114,308	120,023	120,023		S.F. 2334
Elderly Serv. Prog.	777,601	816,480	816,480		S.F. 2334
Retired Iowan Empl.	104,977	110,166	110,166		S.F. 2334
Total Aging, Commission On	1,206,840	1,291,854	1,291,854	35,943	
Civil Rights Comm					
Salaries, Supp, Maint	672,475	723,186	723,186	39,300	S.F. 2334
Salaries, Supp SSPC	39,939	43,197	43,197	2,309	S.F. 2334
Total Civil Rights Comm	712,414	766,383	766,383	41,609	
Dental Exam, Board					
Salaries, Supp, Maint	107,225	109,284	109,284	2,446	S.F. 2334
Employment Handicap					
Salaries, Supp, Maint	124,763	130,676	130,676	1,043	S.F. 2334
Health, Dept of					
Administration Div					
Salaries, Supp, Maint	961,521	1,020,395	959,347	44,983	S.F. 2334
Standings	7,193	7,400	7,400		
	968,714	1,027,795	966,747	44,983	
Hlth Facilities Div					
Salaries, Supp, Maint	675,185	659,041	659,041	5,706	S.F. 2334
Health Planning Div					
Salaries, Supp, Maint	250,285	252,117	252,117	11,993	S.F. 2334
Disease Prevent Div					
Salaries, Supp, Maint	1,013,163	1,038,763	1,025,963	77,013	S.F. 2334
Agent Orange Study	38,881	40,000	-0-		
	1,052,044	1,078,763	1,025,963	77,013	
Licensing & Cert Div					
Salaries, Supp, Maint	523,158	532,912	542,912	27,162	S.F. 2334
Personal & Fam Hlth					
Salaries, Supp, Maint	1,237,106	747,128	1,408,125	40,722	S.F. 2334
Sex Abuse Invest	24,301	39,366	57,794		S.F. 2334
SIDS Autopsy	14,581	15,000	15,000		S.F. 2334
	1,275,988	801,494	1,480,919	60,722	
Community Hlth Div					
Salaries, Supp, Maint	1,768,415	1,830,734	1,799,574	32,015	S.F. 2334
Well Elderly Clinics	206,065	216,367	216,367		S.F. 2334

General Fund Appropriations
Legislative Fiscal Bureau

Human Resources	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Health, Dept of					
Community Hlth Div					
Homemaker Home Hlth	6,755,401	7,095,600	6,955,600	433,600	S.F. 2334
Public Hlth Nursing	2,002,321	2,099,520	2,099,520	128,000	S.F. 2334
	<u>10,732,202</u>	<u>11,242,221</u>	<u>11,071,061</u>	<u>593,615</u>	
Total Health, Dept of	15,477,576	15,594,343	15,998,760	801,194	
Medical Exam, Board					
Salaries, Supp, Maint	622,613	622,866	622,866	16,216	S.F. 2334
Nurse Exam, Board					
Salaries, Supp, Maint	517,864	523,773	523,773	16,477	S.F. 2334
Pharmacy Exam, Board					
Salaries, Supp, Maint	348,150	350,717	347,867	19,276	S.F. 2334
Regents, Board of					
SUI University Hosp					
Spec Child-Health	0	719,037	-0-		
Status of Women					
Salaries, Supp, Maint	88,522	89,851	89,851	5,225	S.F. 2334
Substance Abuse					
Salaries, Supp, Maint	168,132	469,957	469,957	3,306	S.F. 2353
Grants and Aids	2,683,838	7,150,958	7,150,958	198,000	S.F. 2353
Total Substance Abuse	<u>2,851,970</u>	<u>7,620,915</u>	<u>7,620,915</u>	<u>201,306</u>	
Veterans Affairs					
Salaries, Supp, Maint	115,023	113,280	113,280	6,432	S.F. 2334
Agent Orange Study			40,000	1,334	S.F. 2334
War Orphans Educ	24,301	27,216	27,216		S.F. 2334
Total Veterans Affairs	<u>139,324</u>	<u>140,496</u>	<u>180,496</u>	<u>7,766</u>	
Operations	9,482,374	10,262,099	10,106,201	388,901	
Grant and Aid	12,707,694	17,690,696	17,569,124	759,600	
Capitals	0	0	0	0	
Standings	7,193	7,400	7,400	0	
Total Human Resources	<u><u>22,197,261</u></u>	<u><u>27,960,195</u></u>	<u><u>27,682,725</u></u>	<u><u>1,148,501</u></u>	

General Fund Appropriations
Legislative Fiscal Bureau

TR 1	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Natural Resources					
Agriculture, Dept of Administration Div					
Salaries, Supp, Maint	1,274,484	1,346,908	1,330,488	76,056	H.F. 2520
Multiflora Rose Erad			50,000		H.F. 2520
Horticultural Market			35,000		S.F. 2361
	1,274,484	1,346,908	1,415,488	76,056	
Regulatory Division					
Salaries, Supp, Maint	3,537,113	3,534,905	3,441,227	125,846	H.F. 2520
Brucellosis Indemn	24,300				
	3,561,413	3,534,905	3,441,227	125,846	
Laboratory Division					
Salaries, Supp, Maint	627,203	628,566	620,064	31,672	H.F. 2520
Total Agriculture, Dept of	5,463,100	5,510,379	5,476,779	233,574	
Conservation Comm					
Lands and Waters	6,468,140	6,458,259	6,250,979	276,901	H.F. 2520
Advisory Bd-Prserves	49,082	50,093	50,093		H.F. 2520
Open Space Tax Repl	38,881	42,000	42,000		H.F. 2520
Green Thumb Program	144,663	145,385	145,385		H.F. 2520
Capital Improveaents	830,480	676,500	676,500		S.F. 2361
Total Conservation Comm	7,531,246	7,372,237	7,164,957	276,901	
Development Comm					
Administ'ration					
Salaries, Supp, Maint	3,068,004	3,309,975	3,112,025	127,921	H.F. 2520
High Tech Council	48,601	50,000	45,000		H.F. 2520
High Tech Research	48,601				
High Tech Ag Rsrch	1,944,001	1,000,000	900,000		H.F. 2520
World Trade Center	0	10,000,000			
	5,109,207	14,359,975	4,057,025	127,921	
Iowa Product Development Corp	729,001	250,000	200,000		H.F. 2520
Total Development Comm	5,838,208	14,609,975	4,257,025	127,921	
Energy Policy Council					
Salaries, Supp, Maint	371,303	360,125	355,125	19,004	H.F. 2520
Pub Bldg Energy Con	102,382	104,637	104,637	4,312	H.F. 2520
State & Loc Gov Energ	534,601	750,000	500,000		S.F. 2361
Total Energy Policy Council	1,008,286	1,214,762	959,762	23,316	
Fair Board, Iowa St Bldg & Grounds Maint	74,359	74,358	39,358		H.F. 2520

General Fund Appropriations
Legislative Fiscal Bureau

TR1

	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Natural Resources					
Fair Board, Iowa St Premiums	9,000	9,000	9,000		H.F. 2520
Agr Societies-Fairs	183,709	183,800	183,800		H.F. 2520
Capital Improvements	243,280	250,000	240,000		S.F. 2361
Total Fair Board, Iowa St	510,348	517,158	472,158	0	
Geological Survey					
Salaries, Supp, Maint	1,477,470	1,194,058	1,196,710	61,917	H.F. 2520
Reimbursement to Fed		270,775	262,833		H.F. 2520
Landsat Processing	2,917				
Total Geological Survey	1,480,387	1,464,833	1,459,543	61,917	
Hoover Birth Found Aid to Inst.	1,459	1,500	1,500		H.F. 2520
Mississippi River Pk Support, Maint, Misc	14,581	14,580	14,580		H.F. 2520
Soil conservation					
Salaries, Supp, Maint	3,693,893	3,722,191	3,702,191	177,775	H.F. 2520
St-Fed Watershed P&D	24,301	24,300	24,300		H.F. 2520
Soil Survey Ia Land	335,341	335,340	335,340		H.F. 2520
Conserv Incentives	8,256,169	8,994,000	8,644,000		H.F. 2520
Cost Share Revolving	972,001	500,000	750,000		H.F. 2520
County Land Use Surv	96,229				
Total Soil Conservation	13,377,934	13,575,831	13,455,831	177,775	
Water Air Waste Man					
Salaries, Supp, Maint	2,721,663	2,786,533	2,755,850	136,474	H.F. 2520
River Basin Coord	55,944	91,831	70,000	1,294	H.F. 2520
AIDEX Super Fund	48,601	50,000	50,000		H.F. 2520
Sewage Const Grant	1,944,001	2,000,000	2,000,000		H.F. 2520
Radio Active Compact	48,601				
Total Water Air Waste Man	4,818,810	4,928,364	4,875,850	137,768	
Water Resources Inst Grant and Aid	131,221	137,781	135,000		H.F. 2520

General Fund Appropriations
 Legislative Fiscal Bureau

TR1

Natural Resources	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Operations	23,526,820	23,859,025	23,269,222	1,037,878	
Grant and Aid	15,037,482	13,811,875	13,587,263	1,294	
Capitals	1,611,278	11,676,500	1,416,500	0	
Standings	0	0	0	0	
Total Natural Resources	40,175,580	49,347,400	38,272,985	1,039,172	

General Fund Appropriations
Legislative Fiscal Bureau

TR1

Regulatory & Finance	Revised -----FY a4-----	Governors FY a5	Final Action FY a5	Salary Adj FY 85	Bill Number
Accountancy, Board					
Salaries, Supp, Maint	265,351	275,765	270,801	3,660 H.F.	2521
Architectural Exam					
Salaries, Supp, Maint	44,426	46,291	45,458	2,239 H.F.	2521
Auditor of State					
Salaries, Supp, Maint	1,490,369	1,836,302	1,803,249	149,583 H.F.	2521
Banking Department					
Salaries, Supp, Maint	3,101,098	3,331,307	3,271,343	137,352 H.F.	2521
Beer & Liquor Contrl					
Salaries, Supp, Maint	18,418,270	18,819,614	18,626,164	1,251,757 H.F.	2521
Beer Barr Tax Rebate	48,601	25,000	25,000		
Total Beer & Liquor Contrl	18,466,871	18,844,614	18,651,164	1,251,757	
Campaign Fincl Discl					
Salaries, Supp, Maint	121,015	125,587	125,587	7,247 H.F.	2521
Commerce Commission					
General Admin					
Salaries, Supp, Maint	5,612,879	5,637,103	5,611,319	170,907 H.F.	2521
Consumer Advocate					
Salaries, Supp, Maint	837,355	874,529	874,529	38,726 H.F.	2521
Comptroller, Office					
General Office					
Salaries, Supp, Maint	1,478,029	1,487,607	1,178,023	94,424 H.F.	2521
Salary Adjustment	7,375,828			1,512,188 H.F.	646
Comp Worth			5,000,000	S.F.	2359
Municipal Assist	14,239,801	14,650,000	14,650,000	H.F.	2521
County Assistance	5,200,201	5,350,000	5,350,000	H.F.	2521
Spec Child-Health	72,366	0	52,000	S.F.	2334
Utilities Adjustment	243,001	0	-0-		
St Unemploy Comp	670,681	650,000	650,000		
ST Emp Work Comp	1,603,801	1,700,000	1,700,000		
Agr Land Tax Credit	43,500,000	43,500,000	43,500,000		
Pers Prop Tax Repl	44,905,401	46,200,000	23,100,000	S.F.	2330
Prop Tax Repl Livstk	8,000,000	8,000,000	8,000,000		
Peace Off Retire	2,818,801	3,000,000	3,000,000		
Mach & Computer Tax	0	7,000,000	7,000,000		
	130,108,910	131,537,607	113,180,029	1,606,612	
Data Processing					
Salaries, Supp, Maint	6,179,339	6,988,794	4,070,837	179,991 H.F.	2521

General Fund Appropriations
Legislative Fiscal Bureau

TR1 Regulatory & Finance	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Total Comptroller, Office	136,288,749	138,526,401	117,250,866	1,786,603	
Credit Union Dept					
Salaries, Supp, Maint	529,680	544,624	534,821	19,319	H.F. 2521
Engineering Exam, Bd					
Salaries, Supp, Maint	136,635	141,156	138,615	3,304	H.F. 2521
Industrial Commissr					
Salaries, Supp, Maint	978,471	999,697	981,702	43,528	H.F. 2521
Work Comp-Peace Off	29,161	35,000	35,000		
Total Industrial Commissr	1,007,632	1,034,697	1,016,702	43,528	
Insurance, Dept of					
Salaries, Supp, Maint	2,652,362	2,741,318	2,691,974	115,167	H.F. 2521
Job Service of Iowa					
FOAB and IOASI Admin	150,004	163,338	160,398		H.F. 2521
Teacher Retire Allow	204,121	205,000	205,000		
IPERS Prior Ser 1953	223,561	256,700	256,700		
Non Teacher Ret All	11,665	9,000	9,000		
Current Retirees All	5,506,381	5,253,300	5,253,300		
Conserv Peace Offcrrs	272,161	320,000	320,000		
IPERS Prior Ser 1975	486,001	500,000	500,000		
Total Job Service of Iowa	6,853,894	6,707,338	6,704,398	0	
Landscape Arch Exam					
Salaries, Supp, Maint	10,345	1,903	10,345	578	H.F. 2521
OCC Sfty & Hlth Revw					
OSHA Review Comm	45,718	49,485	48,594	2,523	H.F. 2521
Publ Employ Relation					
Per Board	531,729	552,788	542,838	23,429	H.F. 2521
Racing Commission					
Salaries, Supp, Maint	291,601	357,821	296,400	6,665	H.F. 2521
Real Estate Comm					
Salaries, Supp, Maint	311,459	325,199	319,345	4,245	H.F. 2521
Revenue, Dept of					
Salaries, Supp, Maint	15,522,896	15,761,357	15,760,007	587,156	H.F. 2521
Homestead Tax Credit	92,826,001	95,400,000	95,400,000		
Extra Prop Tax Reim	11,882,700	12,100,000	12,100,000		
Tax Refunds	170,600,000	178,300,000	178,300,000		

General Fund Appropriations
Legislative Fiscal Bureau

TR1	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Regulatory & Finance					
Revenue, Dept of					
Reassess Exp Fund	243,001	150,000	150,000		
Misc Standings	126,361	135,000	135,000		
Sales Tax Fees/Cost	34,021	40,000	40,000		
Total Revenue, Dept of	291,234,980	301,886,357	301,885,007	587,156	
Secretary of State					
Salaries, Supp, Maint	1,057,364	1,067,523	1,062,176	'65,571	H.F. 2521
Official Register	0	62,500	62,500		H.F. 2521
Servmans Ballot Comm	2,431	2,750	2,750		
Constitutional Amend	0	1,000	1,000		
Total Secretary of State	1,059,795	1,133,773	1,128,426	65,571	
Treasurer of State					
Salaries, Supp, Maint	370,058	481,261	472,598	44,219	H.F. 2521
Money & Crdt Replc F	2,430,001	2,500,000	2,500,000		H.F. 2521
Investment Machine	35,109	100,000	100,000		S.F. 2361
Total Treasurer of State	2,835,168	3,081,261	3,072,598	44,219	
Operations	67,512,781	62,672,869	63,959,629	4,463,778	
Grant and Aid	21,942,369	22,500,000	22,552,000	0	
Capitals	278,110	100,000	100,000	0	
Standings	383,995,851	402,782,750	379,682,750	0	
Total Regulatory & Finance	473,729,111	488,055,619	466,294,379	4,463,778	

General Fund Appropriations
Legislative Fiscal Bureau

TRI

Social Services	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Human Services, Dept					
Field Operations					
Salaries, Supp, Maint	20,416,958	19,350,382	19,768,000	1,363,660	S.F. 2351
Field Ops Fuel	42,247				
Volunteers	80,677	72,036	72,000		S.F. 2351
	20,539,882	19,422,418	19,840,000	1,363,660	
General Admin.					
Salaries, Supp, Maint	7,317,994	7,022,815	7,187,000	301,125	S.F. 2351
Federal Food Distrib	97,201				
Gen Admin Fuel	12,466				
	7,427,661	7,022,815	7,187,000	301,125	
Juvenile Institution					
Salaries/Supp, Maint	7,268,617	7,380,033	7,235,000	314,448	S.F. 2351
Juv Inst Fuel	20,777				
	7,289,394	7,380,033	7,235,000	314,448	
Income Maint Service					
Child Support Recov	806,761	644,101	840,000	32,428	S.F. 2351
Aid to Depend Child	62,467,001	65,186,700	64,600,000		S.F. 2351
Aid to Indians	34,993	35,700	37,000		S.F. 2351
Medical Assistance	125,436,601	133,628,400	134,350,000		S.F. 2351
Contractual Services	1,982,881	2,222,100	2,200,000		S.F. 2351
Work & Training Prog	40,825				
State Supplement	7,047,001	8,456,100	8,450,000		S.F. 2351
Foster Care	20,363,401	21,590,800	21,930,000		S.F. 2351
Community Based Sr	1,568,397	1,728,900	1,650,000		S.F. 2351
Homebased Services	4,412,881	4,962,300	5,180,000		S.F. 2351
Block Grant Supple	3,021,781	2,693,400	2,940,000		S.F. 2351
County Based Reimb	1,555,201	1,566,600	1,550,000		S.F. 2351
Foster Care Review	0	135,000	70,000		S.F. 2351
ICF Fed Audit Except	635,379				
	229,359,103	242,850,101	243,797,000	32,428	
Total Human Services, Dept	264,616,040	276,675,367	278,059,000	2,011,661	
Operations	35,983,021	34,397,331	35,030,000	2,011,661	
Grant and Aid	228,633,019	242,278,036	243,029,000	0	
Capitals	0	0	0	0	
Standings	0	0	0	0	
Total Social Services	264,616,040	276,675,367	278,059,000	2,011,661	

General Fund Appropriations
Legislative Fiscal Bureau

TR 1

State Government	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Admin Rules Coord Salaries, Supp, Maint	59,216	69,455	59,216	4,818	H.F. 2518
Appeal Board Standings	2,138,401	2,200,000	2,200,000		
Arts Council Salaries, Supp, Maint	466,275	475,973	473,473	18,764	H.F. 2518
Justice, Dept of Attorney General	2,699,981	2,744,625	2,732,074	124,967	H.F. 2516
Prosecuting Att	78,661	81,408	81,408	9,613	H.F. 2518
Dispute Resolution			75,000		H.F. 2518
Pros. Intern Prog.	51,031	52,500	52,500		H.F. 2518
Total Justice, Dept of	2,829,673	2,878,533	2,940,982	134,580	
Capitol Planning Com Salaries, Supp, Maint	3,062	3,062	3,062		H.F. 2518
Citizens' Aide Salaries, Supp, Maint	235,635	230,770	228,770	18,861	H.F. 2518
Council. of St Govt Support of Council	43,352	44,600	44,600		H.F. 2518
Criminal & Juvenile Juvenile Justice	52,257	52,793	52,793		H.F. 2518
Criminal Justice	204,335	186,911	186,911	13,102	H.F. 2518
Jailer Training	38,881	34,000	34,000		H.F. 2518
Juvenile Victim Rest	121,501	121,500	121,500		H.F. 2518
Total Criminal & Juvenile	416,974	395,204	395,204	13,102	
Executive Council Salaries, Supp, Maint	63,944	28,985	28,985		H.F. 2518'
Oil Overcharge	64,153				
Resurfacing Project.	28,989				
Performance of Duty	874,801	900,000	900,000		
Misc Standings	58,321	60,000	60,000		
Public Improvement	19,441	20,000	20,000		
Habeas Corbus Fees	29,161	30,000	30,000		
Total Executive Council	1,138,810	1,038,985	1,038,985	0	
General Services Office of Director Capitol Bldg Exter	486,001	750,000	740,000		S.F. 2361
Buildings & Grounds Building Improvement	509,814	240,350	170,350		S.F. 2361

General Fund Appropriations
Legislative Fiscal Bureau

TR1

State Government	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
General Services					
Buildings & Grounds					
Land Acquisition	0	157,000	120,000		S.F. 2361
Fire Alarm System	132,193				
	642,007	397,350	290,350	0	
General Admin.					
Utilities	1,719,613	2,256,310	2,140,000		H.F. 2518
Salaries, Supp, Maint	4,917,398	4,997,419	4,264,482	277,347	H.F. 2518
Rental Facility	196,829	968,082	968,082		H.F. 2518
Forms Management		150,000	75,000		H.F. 2518
Gen Serv. Caps FY85	0	950,000	910,000		S.F. 2361
	1,433,840	9,321,811	8,351,564	277,347	
Total General. Services	8,561,848	10,469,161	9,381,914	217,347	
Governor					
Salaries, Supp, Maint	648,267	655,626	648,000	42,618	H.F. 2518
Terrace Hill	55,791	56,396	56,396	5,043	H.F. 2518
Governor's Expenses	5,833	5,832	5,832		H.F. 2518
Governor's Ad Hoc Cm	24,301	24,300	24,300		H.F. 2518
Interstate Extraditi	4,861	5,000	5,000		
Total Governor	739,059	747,154	139,528	41,661	
Governor, Lieutenani					
Salaries, Supp, Maint	96,623	97,731	97,700	19,129	H.F. 2518
Historical Dept					
Historical Board					
Per Diem & Exp.	1,692	7,691	1,691		H.F. 2518
Historical Society					
Salaries, Supp, Maint	1,308,013	1,309,886	1,309,886	78,873	H.F. 2518
Capitals	102,060	80,000	110,000		S.F. 2361
Handicap Access	0	28,000	28,000		S.F. 2361
New Facilities	0	5,000,000	4,750,000		H.F. 2347
	1,410,073	6,417,886	6,197,886	78,873	
Total Historical Dept	1,417,765	6,425,577	6,205,577	78,873	
Indian Settlemnt Ofcr					
Indian Settlement Of	3,403	3,500	3,400		
Judicial Departments					
Courts					
Court Operations	11,300,513	11,741,199	11,741,199	670,796	H.F. 2518

General Fund Appropriations
Legislative Fiscal Bureau

TR/	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	<u>Bill Number</u>
State Government					
Judicial Departments					
Courts					
District Court Admin	1,448,570	1,489,555	1,489,555	70,340	H.F. 2518
Court Reorganization	2,137,705	9,553,000	8,411,495	107,600	H.F. 2518
Legal Services	120,000				
	15,006,788	22,783,754	21,642,249	848,736	
Administration					
Salaries, Supp, Maint	718,283	765,182	765,182	31,004	H.F. 2518
Dispute Resolution	75,000				
	793,283	765,182	765,182	31,004	
Boards & Commissions					
Salaries, Supp, Maint	55,378	56,124	56,124		H.F. 2518
Additional Judges	380,000				
	435,378	56,124	56,124	0	
Total Judicial Departments	16,235,449	23,605,060	22,463,555	879,740	
Code Editor					
Salaries, Supp, Maint	1,015,389	1,031,793	1,031,793		
Labor, Bureau of					
Salaries, Supp, Maint	1,504,415	1,495,432	1,484,482	78,823	H.F. 2518
Encap Asbestos			33,000		S.F. 2361
Hazard Chemicals			47,000		S.F. 2361
Total Labor, Bureau of	1,504,415	1,495,432	1,564,482	78,823	
Leg Fiscal Bureau					
Salaries, Supp, Maint	585,996	538,545	548,545	14,793	H.F. 2518
Leg Service Bureau					
Salaries, Supp, Maint	1,001,666	983,784	1,008,784	57,309	H.F. 2518
Draft Res Code	15,000	14,580	14,580		H.F. 2518
Total Leg Service Bureau	1,016,666	998,364	1,023,364	57,309	
Legislature					
Natl Conf State Leg	45,357	48,085	48,085		H.F. 2518
L E A G	30,000				
Legislative Council	250,000		50,000		S.F. 2359
Session Expenses	3,600,190	3,697,290	3,697,290		
Interim Expenses	303,000	303,000	303,000		
Staff Compensation	2,436,350	2,476,439	2,476,439		
Renov & Office Expns	1,060,000	61,000	61,000		
Legislative Publictn	7,500	5,000	5,000		
Dept Rules Committee	62,960	42,960	42,960		
Total Legislature	7,775,357	6,633,774	6,683,774	0	

General Fund Appropriations
Legislative Fiscal Bureau

TR1

	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
State Government					
Library Commission					
Salaries, Supp, Maint	910,383	1,005,076	1,005,076	23,112	H.F. 2518
Regional Library	1,099,146	1,338,635	1,338,635	34,900	H.F. 2518
Total Library Commission	2,009,529	2,343,711	2,343,711	58,012	
Merit Employment					
Salaries, Supp, Maint	1,391,943	1,445,664	1,428,460	79,767	H.F. 2518
Comparable Worth Stu	145,801		-0-		
Total Merit Employment	1,537,744	1,445,664	1,428,460	79,767	
Pioneer Lawmakers					
Support, Maint, Misc	244	729	729		H.F. 2518
Planning & Programng					
Iowa Youth Services	77,741	78,759	78,759		H.F. 2518
Administration	542,195	574,156	542,195	63,675	H.F. 2518
Comm on Children	63,388	64,147	64,147	1,608	H.F. 2518
Stat Analysis Center.	137,169	175,478	175,478	12,799	H.F. 2518
Fed Highway Safety	74,845	78,312	78,312	17,130	H.F. 2518
Iowa Youth Corps	874,801	874,800	874,800		H.F. 2518
Economic Analysis	157,532	162,670	162,670	3,566	H.F. 2518
Cultural Comm Grants	874,801	300,000	300,000		H.F. 2518
Job Training Part	1,263,601	1,063,600	1,063,600		H.F. 2518
Community Dev Blk Gr	88,331	101,424	101,424	17,350	H.F. 2518
Community Devel Loan	4,860,001	2,500,000	1,500,000		H.F. 2518
Total Planning & Programng	9,014,405	5,973,346	4,941,385	116,128	
Science, Ia Academy					
Grants and Aids	10,498	60,400	60,400		H.F. 2518
Terrace Hill Auth					
Salaries, Supp, Maint	149,643	146,278	146,278	10,351	H.F. 2518
Uniform State Laws					
Support of Conf	10,304	10,498	10,498		H.F. 2518
Operations	37,027,608	45,639,034	43,588,220	1,855,808	
Grant and Aid	9,135,297	5,682,933	4,812,933	52,250	
Capitals	1,259,057	7,205,350	6,828,350	0	
Standings	11,593,778	10,835,982	10,835,982	0	
Total State Government	59,015,740	69,363,299	66,065,485	1,906,058	

General Fund Appropriations
Legislative Fiscal Bureau

TR1	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
Trans & Law Enforce					
Law Enforcement Acad					
Salaries, Supp, Maint	823,922	756,981	797,300	22,486	S.F. 2337
Local Police Trainin	0	50,000	-0-		
Total Law Enforcement Acad	823,922	806,981	797,300	22,486	
Public Defense, Dept:					
Military Division					
Salaries, Supp, Maint	2,912,128	3,107,994	2,993,334	77,646	S.F. 2337
Gasoline	28,182		-0-		
Capital Improvements	145,801	152,200	388,000		S.F. 2361
Standings	97,201	30,000	30,000		
Disaster Services					
Salaries, Supp, Maint	118,296	136,451	118,295	4,857	S.E. 2337
Total Public Defense, Dept	3,301,608	3,426,645	3,529,629	82,503	
Public Safety, Dept					
Administration					
Salaries, Supp, Maint	4,474,327	4,747,808	4,687,600	208,084	S.F. 2337
Victim Compensation	194,401	200,000	200,000	1,010	S.F. 2361
Gasoline	7,127				
DPS Capital	24,301	70,000	70,000		S.F. 2361
Criminal Invest					
Salaries, Supp, Maint	4,507,113	4,318,408	4,663,500	291,256	S.F. 2337
Lease Equipment	0	24,111	-0-		
Crime Laboratory	0	180,539	-0-		
Undercover Funds	194,401	194,400	200,000		S.F. 2337
Lab Improvements	0	202,630	-0-		
Gasoline	82,725				
Pari-mutuel Agents		175,000	175,000		S.F. 2337
Inspection & Securty					
Fire Marshal	1,005,713	1,706,987	1,026,700	59,276	S.F. 2337
Capitol Security	655,966		672,000	68,230	S.F. 2337
Reimburse for Audit	79,553				
Inspection Gasoline	22,701				
Security Gasoline	2,875				
Highway Patrol					
Salaries, Supp, Maint	15,394,120	16,948,700	16,232,000	746,439	S.F. 2330
Crime Prevention Pgm	52,489	53,625	53,125	1,736	S.F. 2337
Gasoline	812,783				

General Fund Appropriations
Legislative Fiscal Bureau

TR1

Trans	Law Enforce	Revised FY 84	Governors FY 85	Final Action FY 85	Salary Adj FY 85	Bill Number
	Public Safety, Dept Highway Patrol Additional Supp Main			300,000		S.F. 2361
		16,259,392	17,002,325	16,585,125	748,175	
	Total Public Safety, Dept	27,510,595	28,822,208	28,279,925	1,376,031	
	Transportation, Dept					
	Salaries, Supp, Maint Gasoline	5,527,417 61,561	5,728,321	5,359,853	137,554	S.F. 2337
	RR Improvement Prog	972,001	972,000	972,000		S.F. 2337
	Public Transit Aid	1,854,577	1,854,576	1,854,600		S.F. 2337
	Great River Road	97,201	100,000	100,000		
	Personal Delev Serv	87,481	90,000	90,000		
	Total Transportation, Dept	8,600,238	8,744,897	8,376,453	137,554	
	Operations	36,957,800	38,531,955	37,478,707	1,618,574	
	Grant and Aid	2,826,578	2,826,576	2,826,600	0	
	Capitals	170,102	222,200	458,000	0	
	Standings	281,883	220,000	220,000	0	
	Total Trans & Law Enforce	40,236,363	41,800,731	40,983,307	1,618,574	

APPROPRIATIONS BILL SUMMARY

ACCOUNTANCY, BOARD OF

H.F. 2521
Sec. 1.3 Appropriates \$270,801 for salaries, support, maintenance and other operational purposes.

ADMINISTRATIVE RULES COORDINATOR

H.F. 2518
Sec. 1.1 Appropriates \$59,216 for salaries, support and maintenance.

AGING, COMMISSION ON THE

S.F. 2334
Sec. 1.1 Appropriates \$233,577 for salaries, support, and and of 29.10 authorized FTE positions. This is an increase of 3 FTE's from last year.

Sec. 1.2 Appropriates \$120,023 for grants to the administrations of the area agencies on aging to support their service level.

Sec. 1.3 Appropriates **\$110,166** for the Retired Iowans Employment Program to fund older worker specialists who assist older Iowans in finding employment.

Sec. 1.4 Appropriates \$13,608 to fund the model legislature for older Iowans.

Sec. 1.5 Appropriates \$816,480 for the Elderly Services Program to purchase various elderly services including chore, telephone reassurance and home repair. Additional language allows the creation of a coordinated comprehensive individual assessment program in each area agency to train interdisciplinary teams for the purpose of assessing the needs of elderly individuals so that they may remain in their communities. The language also allows the funds to be used for services not specifically listed in the bill if approved by an area agency for services in that area.

AGRICULTURE, DEPARTMENT OF

H.F. 2520
Sec. 1 Appropriates \$5,391,779 to fund operations of the Administrative, Regulatory, and Laboratory Divisions. Requires solicitation of private financial support for agricultural promotion activities and requires annual subscription fees for regular publications. Provides for temporary suspension of the food service inspection requirement of twice annually in favor of once annually. Appropriates

from various trust funds For certain operations and from the General Fund for brucellosis aid to individuals.

Sec. 2 Appropriates **\$50,000** to the Department of Agriculture to be used for the partial reimbursement of agricultural landowners or tenants for the cost of herbicide for controlling multiflora rose.

S.F. 2361
Sec. 20 Appropriates \$35,000 to be used to hire a horticultural marketing specialist and support staff to develop programs which will assist the horticultural industry in Iowa.

ARCHITECTURAL EXAMINERS, BOARD OF

H.F. 2521
Sec. 1.1 Appropriates \$45,458 for salaries, support, maintenance and other operational purposes.

ARTS COUNCIL, IOWA

H.F. 2518
Sec. 1.2 Appropriates \$473,473 for salaries, support, maintenance and funds to match federal grants.

AUDITOR OF STATE

H.F. 2521
Sec. 2.1 Appropriates \$1,803,249 for salaries, support, maintenance and miscellaneous purposes.

RANKING, DEPARTMENT OF

H.F. 2521
Sec. 2.2 Appropriates \$3,271,343 for salaries, support, maintenance and other operational purposes.

BEER AND LIQUOR CONTROL DEPARTMENT, IOWA

H.F. 2521
Sec. 2.3 Appropriates \$18,626,164 for salaries, support, maintenance and other operational purposes.

Provides that not less than six ministores shall be established from the funds appropriated in this subsection.

BLIND COMMISSION, IOWA

H.F. 2519
Sec. 1 Appropriates \$1,049,821 for salaries, support and maintenance.

S.F. 2361

Sec. 32.1a Appropriates \$1,260 to overhaul the absorption system to the air conditioning system. This will be matched by \$3,240 in federal funds.

Sec. 32.1b Appropriates \$840 for rebuilding the cooling tower for the absorption air conditioning system. This will be matched by \$2,160 in federal funds.

S.F. 2330

Sec. 6.1b Deappropriates \$840 funds for rebuilding of the cooling tower.

CAMPAIGN FINANCE DISCLOSURE COMMISSION

H.F. 2521

Sec. 2.4 Appropriates \$125,587 for salaries, support, maintenance and other operational purposes.

Provides that as a condition of receipt of this appropriation, the Commission shall promulgate rules by January 1, 1985 that a holder of or a candidate for a state office who receives a campaign contribution from a registered lobbyist or a political action committee while the General Assembly is in session must disclose that contribution to the Commission within fourteen days of receipt of the contribution.

CAPITOL PLANNING COMMISSION

H.F. 2518

Sec. 1.4 Appropriates \$3,062 for per diem and travel expenses of Commission members.

CITIZENS' AIDE, IOWA

H.F. 2518

Sec. 1.5 Appropriates \$228,770 for salaries, support and maintenance.

CIVIL RIGHTS COMMISSION

S.F. 2334

Sec. 2.1 Appropriates \$723,186 for prevention services, contract compliance review, and to maintain other programs. Twenty-five FTE positions are authorized reflecting an increase in 1 FTE over the previous year.

COLLEGE AID COMMISSION, IOWA

H.F. 2519

Sec. 2.1 Appropriates \$424,465 for salaries, support, maintenance, and miscellaneous purposes of the General Office.

Sec. 2.2 6 Appropriates \$1,366,900 to the tuition grant program to be used in conjunction with the standing limited appropriation of \$19,166,600. The maximum grant award is increased from \$2,100 to \$2,250.

Sec. 16

S.F. 2361

Sec. 10 Appropriates \$150,000 to the supplemental grant program to be used in conjunction with the standing limited appropriation of \$1,500,000.

ITEM

VETO

Sec. 11

Appropriates an additional \$50,000 to the tuition grant program.

H.F. 2519

Sec. 3.1 6 Appropriates to the College of Osteopathic Medicine and Surgery \$789,264 to reinstate the policy that Iowa students should make up at least 30% of the enrollment. Submittal of financial audits to the Legislative Fiscal Bureau is required.

Sec. 3.2

Sec. 4

Appropriates to the National Guard Enlistment Program \$24,300 to provide tuition assistance to eligible members of the Guard who are enrolled in an Iowa post-secondary institution.

Sec. 17

Keeps the appropriation for the Guaranteed Loan Payment Program at \$30,000 in FY '85, and makes a standing limited appropriation of \$60,000 beginning in FY '86.

Sec. 18

Keeps the appropriation for the Science and Math Loan Program at \$40,000 in FY '85 and makes a \$140,000 standing limited appropriation beginning in FY '86.

COMMERCE COMMISSION, IOWA STATE

H.F. 2521

Sec. 2.5 Appropriates \$5,611,319 for salaries, support, maintenance and other operational purposes.

COMPTROLLER, OFFICE OF STATE

N.F. 2521

Sec. 2.7 Appropriates \$1,178,029 for general office salaries, support, maintenance, and other operational purposes. Appropriates \$4,070,837 for the Division of Data Processing for salaries, support, maintenance and other operational purposes.

It is the intent of the General Assembly that Comptroller's Data Processing shall not charge the Secretary of State for computer costs arising from implementation of Senate File 510.

Provides that the Comptroller, through the Office of the Inspector General, shall assist state agencies in identifying and implementing efficiency and cost-effectiveness measures, as recommended by the Governor's Task Force on Efficiencies and Cost-Effectiveness. Notwithstanding any conflicting provisions of chapter 8, the State Comptroller as if the amount appropriated in paragraph "a" contained \$300,000 more than actually specified and in paragraph "b" contained \$2 million more than actually specified, and the State Comptroller may reduce the last two quarterly allocations in order to offset the first two quarterly allocations. The State Comptroller may reduce quarterly allocations of funds appropriated to other agencies to reflect savings made as a result of implementing recommendations of the Governor's Task Force on Efficiencies and Cost-Effectiveness. Not more than \$300,000 for paragraph "a" and \$2 million for paragraph "b" of the savings resulting from implementing the recommendations may be transferred by the State Comptroller to the State Comptroller to be used for the purposes provided in those paragraphs.

Sec. 4 Appropriates **\$5,350,000** to the County Government Assistance Fund as established in section 334A.1, Code of Iowa for assistance to counties. Provides that **\$55,535** of these funds shall be credited to the County Finance Committee.

Sec. 5 Appropriates **\$14,650,000** to the Municipal Assistance Fund to be used for state assistance to municipalities, with distribution in accordance with section 405.1, Code of Iowa. Provides that **\$10,800** shall be credited to the City Finance Committee.

S.F. 2334
Sec. 4.6a

Appropriates **\$52,000** to the Comptroller's Office for the childhood cancer treatment network and the rural comprehensive hemophilia programs to enable them to continue serving rural parts of the state. The appropriation is for the Iowa Specialized Child Health Services to draw upon if there is a short-fall of funds to continue the programs.

Sec. 8

ITEM
VETO

Orders the Comptroller's office to transfer **\$74,450** to the General Fund which was a contingent appropriation for the Specialized Child Health Services of the University of Iowa Hospital and Clinics. This appropriation was never used during FY '84.

S.F. 2359
Sec. 5

Orders the Comptroller's office, in consultation with the Legislative Fiscal Bureau, to determine the bi-weekly salary costs for implementing the first phase of comparable worth adjustments. It requires the Comptroller to determine the net effect of these adjustments on the General Fund. The section also requires the Comptroller's office to determine the earliest pay period after December 31, 1984, that the adjustments may be put into effect subject to the limitations of funds provided in section 7 of this Act.

Sec. 7.1

Appropriates to the salary adjustment fund established in section 8.43 for FY 1985 an amount necessary to be distributed to the various departments to supplement other funds appropriated by the General Assembly to provide salary adjustments required by this Act.

Sec. 7.4

Provides for a supplemental authorization from departmental revolving, trust, or special funds, except for the road use tax fund, to make the necessary salary adjustments required by the Act.

Sec. 7.5

Limits the total cost of the salary adjustments, including fringe benefits, made to employees in the merit system to **\$10** million dollars. It limits the net effect on the General Fund of the state for FY 1985 to **\$5** million dollars.

CONSERVATION COMMISSION, STATE

H.F. 2520
Sec. 3 -
Sec. 6

Appropriate **\$6,446,457** to fund operation of the Lands and Waters Division, Administrative Division, Preserve Board, and the Green Thumb Program. Appropriates **\$12,797,593** from the Fish and Game Protection Fund to finance operations of the Fish and Wildlife Administrative Division and capital projects. Appropriates the Marine Fuel Tax Funds for the recreational boating program. Provides guidelines for transfer of funds, deposit of various receipts, development of lake conservation priorities, and Commission travel by state aircraft. Provides **\$42,000** to make school tax payments for open spaces land owned by the state.

S.F. 2330
 Sec. 12 Disappropriates \$40,000 from FY '82 for capital projects.

Sec. 13 Deappropriates \$676,500 from FY '83 to be used for Swan Lake restoration and other capital-projects.

S.F. 2361
 Sec. 32.4 Appropriates \$676,500 for restoration of Swan Lake and other capital projects.

CONSUMER ADVOCATE

H.F. 2521
 Sec. 2.6 Appropriates \$874,529 for salaries, support, maintenance, and other operational purposes.

CORRECTIONS, DEPARTMENT OF

S.F. 2330
 Sec. 7 Deappropriates \$255,000 from the FY '84 appropriation to the Department of Corrections for capital projects at the Women's Correctional Institution and the Medium Security Unit at Mt. Pleasant.

S.F. 2333
 Sec. 1 Appropriates \$1,706,468 to the Department of Corrections for general administration of the Central Office. This maintains the current level of operations and increases the authorized FTE by 1.0 for the addition of an affirmative action officer.

Sec. 2.1 Appropriates \$48,120,374 for the operations of the adult correctional institutions. The authorized FTE level is increased by 2.00 to allow the department to employ two additional qualified hearing officers. The cap on the prison population is maintained at 2,645 inmates. In addition, the inmate population at the men's reformatory is reduced to 900 by October 1, 1984 and 850 by November 1, 1984.

Directs the Legislative Fiscal Bureau to prepare an impact statement on any bill expected to have an effect on the inmate population at the state correctional institutions.

Directs the Department of corrections to:

- Notify the Chairpersons and ranking members of the Corrections and Mental Health Appropriations Subcommittee and the Legislative Fiscal Bureau

if the allocations to the correctional institutions are changed. The funds appropriated by this section are allocated to the correctional institutions as follows:

	<u>FY 1985</u>
State Penitentiary	\$ 15,617,588
Men's Reformatory	10,677,696
Oakdale-IS&MF	6,609,712
Riverview Release Center	1,849,063
Mt. Pleasant MSU	6,864,213
Rockwell City - MSF	1,749,670
Clarinda CTU	2,665,238
Correctional Inst, for Women	<u>2,087,194</u>
	\$ 48,120,374

- Provide adequate funding to the men's reformatory.
- Use funds appropriated to provide psychological testing of correctional officer applicants.
- Continue the contract for Muslim religious services.
- Continue providing correspondence courses to inmates at the Correctional Institution for Women.
- Provide matching funds for a library project at the Correctional Institution for Women.

Defines independent hearing officers pursuant to chapter 903A, Code of Iowa, and requires the department to employ two additional qualified hearing officers to provide coverage at disciplinary hearings at the state penitentiary, the men's reformatory, the security and medical facility and the Mt. Pleasant medium security unit.

Sec. 2.2 Appropriates \$161,472 for the inmate classification system. The appropriation is increased by \$30,000 and the authorized FTE level is increased by 1.00 to allow the department to employ a licensed psychologist. The department is directed to provide the General Assembly with evidence from independent experts on the validity and effectiveness of the inmate classification system.

Sec. 2.3 Appropriates \$300,717 for the operation of the correctional training center.

Sec. 2.4 Appropriates \$390,520 to pay the federal government for Iowa prisoners transferred to federal prisons.

Sec. 2.5 Requires the Department of Corrections to consult with the Mental Health and Mental Retardation Commission to identify and develop programs for mentally retarded offenders.

Sec. 2.6a Appropriates \$13,559,400 for grants to operate pre-institutional community based correctional programs.

Sec. 2.6b Appropriates \$1,408,318 for grants to operate post-institutional halfway houses.

Sec. 2.6c Appropriates \$1,200,402 for grants to provide parole supervision.

Authorizes the department of corrections to allow district departments of correctional services to:

- Use funds for the improvement or acquisition of residential correctional facilities.
- Contract for services from private agencies to provide education, job placement or counseling services to ex-offenders.
- Operate programs for offenders required to perform unpaid community service.

Sec. 2.7 Appropriates \$25,000 to the Department of Corrections to contract for the provision of legal assistance to inmates of the correctional system on child custody, bankruptcy, and dissolution of marriage matters. The department is directed to determine whether an inmate applying for legal assistance is indigent and allows the department to promulgate administrative rules to set the maximum rates of reasonable compensation for attorneys providing the legal assistance.

Sec. 2.8 Appropriates \$47,500 to the Department of Corrections to reimburse counties for the temporary confinement of work release and parole violators.

Sec. 2.9 Requires the Department of Corrections to maintain a long range corrections plan and report back to the General Assembly by January 15, 1985.

Sec. 14.1 Appropriates \$255,000 to the Department of Corrections for the construction of an industries building at the Mt. Pleasant Medium Security unit and for the renovation of a handicapped accessible bathroom at the Correctional Institution for Women.

COUNCIL OF STATE GOVERNMENTS

H.F. 2518
Sec. 1.6 Appropriates \$44,600 for Iowa's organizational membership assessment.

CREDIT UNION DEPARTMENT

H.P. 1521
Sec. 7.R Appropriates \$534,821 for salaries, support, maintenance and other operational purposes.

CRIMINAL AND JUVENILE JUSTICE PLANNING AGENCY

H.F. 2518
Sec. 10.12a Appropriates 5186,911 for salaries, support and maintenance for Criminal Justice Planning.

Sec. 10.12b Appropriates \$52,793 for Juvenile Justice Planning.

Sec. 10.12c Appropriates \$121,500 to the Juvenile Victim Restitution Program to assist the state's juvenile probation offices.

Sec. 10.12d Appropriates \$34,000 for jail training and technical assistance.

DENTAL EXAMINERS, BOARD OF

S.F. 2334
Sec 3.4 Appropriates \$109,284 for salaries, support and maintenance of 2 authorized FTE's,

DEVELOPMENT COMMISSION, IOWA

H.F. 2520
Sec. 7.1 Appropriates \$3,112,025 for the operations of the Commission. Provides for allocation of \$35,000 for the tourism districts.

Sec. 7.2 6 Appropriate \$945,000 to the High Technology Council
Sec. 7.3 for operation and grants.

Sec. 7.5 Appropriates \$200,000 to the Iowa Product Development Corporation Fund.

Sec. 9 Provides that funds appropriated to the Iowa Product Development Corporation Fund are not subject to reversion to the General Fund.

S.F. 2361
Sec. 29 6 Establish an Agriculture, Food and Energy Demonstration Center Study and provide \$60,000 through
Sec. 30 the marketing division of the Development Commission for operation.
ITEM
VETO

EMPLOYMENT OF THE HANDICAPPED, COMMITTEE ON

S.F. 2334
Sec. 2.3 Appropriates \$130,676 for salaries, support, and maintenance of 4 authorized FTE's,

ENERGY POLICY COUNCIL

H.F. 2520
Sec. 11 Appropriates \$459,762 for operations and for the Public Buildings Energy Conservation Program.

S.F. 2357
Sec. 3.1 Appropriates the funds in the petroleum overcharge fund, excluding a reserve of 5 percent of all funds for attorneys' fees and expenses. Of this appropriation, 75 percent of the funds shall be used for grants and projects by state government, local governments and school districts for energy management programs in buildings owned or occupied by state or local government agencies or school districts. The remaining 25 percent of the funds shall be used for weatherization of the homes of low-income residents in this state.

S.F. 2361
Sec. 32.6 Appropriates \$500,000 for an energy management program for state-owned and rented buildings.

ENGINEERING EXAMINERS, STATE BOARD OF

H.F. 2521
Sec. 1.4 Appropriates \$138,615 for salaries, support, maintenance and other operational purposes.

EXECUTIVE COUNCIL

H.F. 2518
Sec. 1.7 Appropriates \$28,985 for salaries, support and maintenance.

FAIR BOARD, STATE

H.F. 2520
Sec. 12 Appropriates \$232,158 from the General Fund to finance buildings and grounds maintenance, state fair premiums and state aid to local fairs.

S.F. 2361
Sec. 32.7 Appropriates \$240,000 for roof repairs and major overhaul of the electrical system.

GENERAL SERVICES, DEPARTMENT OF

S.F. 2330
Sec. 9 Deappropriates \$25,000 for emergency repairs or replacement of equipment, roofs, or windows.

Deappropriates \$90,000 for repair of the roof of the vehicle dispatcher building and the repair of the roof of the micrographics building.

Sec. 10 Deappropriates \$61,600 for the individual water heaters in Capitol Complex buildings.

Deappropriates \$5,250 for replacement of the incandescent lamps in the upper portion of the Capitol.

Deappropriates \$13,500 for automation of the north Capitol elevator.

S.F. 2361
Sec. 32.2a Appropriates **\$740,000** for the payment of State House renovation costs.

Sec. 32.2b Appropriates \$120,000 for the acquisition of land surrounding the Capitol Complex as it becomes available.

Sec. 32.2c Appropriates \$650,000 for the renovation and remodeling of the third floor of the Robert Lucas Building.

Sec. 23.2d Appropriates **\$55,000** for repair to the Wallace State Office Building.

Sec. 32.2e Appropriates \$90,000 for repair of the roof of the vehicle dispatcher building and the repair of the roof of the micrographics building.

Sec. 32.2f Appropriates \$61,600 for the installation of individual water heaters in Capitol Complex buildings.

Sec. 32.2g Appropriates \$5,250 for replacement of the incandescent lamps in the upper portions of the Capitol.

Sec. 32.2h Appropriates \$13,500 for automation of the north Capitol elevator.

Sec. 32.2i Appropriates \$285,000 for repair of the roof and dome of the State Historical Building. (\$80,000 was deappropriated from the Historical Department in S.F. 2330).

Sec. 32.2j Appropriates **\$10,000** for the renovation of restroom facilities in the State Historical Building to make them accessible to handicapped persons.

Sec. 32.21: Appropriates \$5,000 for construction of a handicapped entrance ramp to the State Historical Building.

H.F. 2518
Sec. 3.1 Appropriates \$4,264,482 for salaries, support and maintenance. The intent section states that the State Comptroller, through the Office of the Inspector General, shall assist state agencies in identifying and implementing efficiency and cost effectiveness measures. The Comptroller may make the first two quarterly allocations to the department as if the amount appropriated contained **\$700,000** more than actually specified, and the

Comptroller may reduce the last two quarterly allocations in order to offset the first two quarterly allocations. The Comptroller may reduce quarterly allocations of funds appropriated to other agencies to reflect savings made as a result of implementing recommendations of the Governor's Task Force. Not more than \$700,000 of the savings realized from the implementation of the task force recommendations may be transferred by the Comptroller to the Department of General Services.

Sec. 3.2 Appropriates \$75,000 for a forms management program.

Sec. 3.3 Appropriates \$2,140,000 to pay the cost of utilities for the Capitol Complex. The intent section states that General Services may fund energy conservation projects in the Capitol Complex which will have a 100%payback within the fiscal year.

Sec. 3.4 Appropriates \$968,082 for payment of lease or rental costs for agencies located outside the Capitol Complex.

Sec. 4.1 Appropriates \$720,052 from the Centralized Printing revolving fund for salaries, support and maintenance.

Sec. 4.2 Appropriates the remainder of the Centralized Printing permanent revolving fund for expenses incurred which are legally payable from this fund.

Sec. 4.3 Appropriates \$467,647 from the Centralized Purchasing revolving fund for salaries, support and maintenance.

Sec. 4.4 Appropriates the remainder of the Centralized Purchasing revolving fund for the payment of expenses incurred through purchases by various state departments.

Sec. 4.5 Appropriates \$457,017 from the Vehicle Dispatcher revolving fund for salaries, support and maintenance.

Sec. 4.6 Appropriates thr remainder of the Vehicle Dispatcher revolving fund expenses which are legally payable from this fund.

H.F. 2518
Sec. 12 Amends section 18.6, subsection 1, Code of Iowa by stating that all equipment, supplies, services or construction shall be purchased by a competitive bidding procedure. Also, where a preference is mandated by another state for business or products

of that state and this preference discriminates against Iowa bidders in that state, the same preference shall apply to Iowa businesses or products when businesses from other states bid in this state.

Sec. 13 Reduces the number of free copies of specified documents such as the Code of Iowa, supplements to the Code, etc., that are distributed. The Superintendent of Printing may provide microfiche copies in lieu of bound copies to libraries for exchange purposes.

GEOLOGICAL SURVEY, IOWA

H.F. 2520
Sec. 13 Appropriates \$1,196,710 for the operation of the Survey. Appropriates \$262,833 for reimbursement to federal agencies for cooperative contracts.

GOVERNOR, OFFICE OF

H.F. 2518
Sec. 5.1 Appropriates \$648,000 for salaries, support and maintenance.

Sec. 5.2 Appropriates \$5,832 for expenses connected with the office.

Sec. 5.3 Appropriates \$56,396 for salaries and support of the Governor's quarters at Terrace Hill.

Sec. 5.4 Appropriates \$24,300 for the payment of ad hoc committees, councils and task forces appointed by the Governor.

GOVERNOR, LIEUTENANT

H.F. 2518
Sec. 6.1 Appropriates \$97,700 for salaries, support and maintenance and miscellaneous purposes.

HEALTH, DEPARTMENT OF

S.F. 2334
Sec. 4.1 Appropriates \$959,397 to the Division of Central Administration for salaries and support of 67.25 FTE positions.

Sec. 4.2 Appropriates \$659,041 to the Division of Health Facilities for salaries, support, and maintenance of 51 FTE's.

Sec. 4.3 Appropriates \$252,117 to the Health Planning and Development Division for salaries, support, and maintenance of 19.76 FTE's.

Sec. 4.4 Appropriates \$1,025,963 to the Division of Disease Prevention for salaries, support and maintenance of 51.61 FTE's.

Sec. 4.5 Appropriates \$542,912 to the Licensing and Certification Division for salaries, support and maintenance of 16 FTR positions. It requires that the licensing boards adjust their fees to reflect actual expenditures and requires the department to charge rental expenses. It also appropriates \$10,000 for legal expenses incurred by the Boards during litigation.

Sec. 4.6a Appropriates \$1,408,125 for salaries, support and maintenance of 47.85 FTE's to the Division of Personal and Family Health. This is an increase of 3.5 FTE's over last year. Additional language allocates funds from this amount for the birth defects and genetics counseling program and authorizes the development of a central Iowa birth defects registry. Additional language allocates a portion of the appropriation for various programs of the Iowa specialized child health care services at the University of Iowa Hospital and Clinics.

Contains language stating the childhood cancer treatment network program, the rural comprehensive hemophilia program, and the high risk infant follow-up program will not be appropriated funds under the human resources appropriation subcommittee next year.

Mandates a sliding fee scale for the birth defects and genetic counseling program. A cap on the indirect costs the University of Iowa Hospitals and Clinics can charge to funds contracted from the Health Department is also mandated.

Sec. 4.6b Appropriates \$57,794 for sexual abuse investigations required by section 709.10, 1983 Code Supplement.

Sec. 4.6c Appropriates \$15,000 to reimburse counties for sudden infant death syndrome autopsies required under section 331.802, 1983 Code Supplement.

Sec. 4.7a Appropriates \$1,799,574 to the Division of Community Health for salaries, support and maintenance of 38.0 FTE positions. Specifies that \$939,507 shall be allocated to the Chronic Renal Disease Program and lists the services which are eligible for

reimbursement. The department is required to establish by administrative rule a mechanism to keep expenditures within the allocation.

Sec. 4.7b Appropriates \$2,099,520 for grants to local boards of health for Public Health Nursing Services and specifies general provisions for the program.

Sec. 4.7c Appropriates \$6,955,600 to county boards of supervisors for the Homemaker-Home Health Aide/Chore Program. Fifteen percent of the funds received by a county may be used for chore services. Additional language specifies general provisions of the program and the following formula for allocation of these funds to the counties: Fifteen percent of the amount will be distributed equally to all 99 counties. Then of the total funds remaining, each county shall be allocated an amount equal to 25 percent of the FY 1982 Homemaker Funds. The remaining amount of funds in each year shall be allocated to counties on a proportionate basis representing each county's percentage of the state's population of low-income and elderly persons and each county's number of substantiated child abuse cases. This section also enumerates state policy for the Homemaker-Home Health Aide Program by requiring the department to establish rules and evaluate the program on an annual basis.

Sec. 4.7d Appropriates \$216,367 for the development and maintenance of well-elderly clinics in the state.

HERBERT HOOVER BIRTHPLACE FOUNDATION

H.F. 2520

Sec. 14

Appropriates \$1,500 to the foundation from the General Fund for assistance with capital improvements.

HISTORICAL DEPARTMENT

S.F. 2330

Sec. 11

Deappropriates \$80,000 for repair of the roof and dome of the State Historical Building.

Sec. 12

Deappropriates \$13,000 for the construction of a handicapped entrance to the Centennial Building in Iowa City.

Deappropriates \$10,000 for the renovation of restroom facilities in the State Historical Building to make them accessible to handicapped persons.

Deappropriates \$5,000 for construction of a handi-capped entrance ramp to the State Historical Building.

S.F. 2361

Sec. 32.3a Appropriates \$13,000 for construction of a handi-capped entrance ramp to the Centennial Building in Iowa City.

Sec. 32.3b Appropriates \$30,000 for the purchase of property adjacent to the grave site at Gardner Cabin.

H.F. 2518

Sec. 7.1 Appropriates \$1,309,886 for salaries, support and maintenance.

Sec. 7.2 Appropriates \$7,691 to the State Historical Board for per diem and expenses.

HUMAN SERVICES, DEPARTMENT OF

S.F. 2330

Sec. 3 Deappropriates \$278,450 frbm the FY 1984 appropriation to the Department of Human Services for capital projects at the State Hospital Schools.

Sec 8 Deappropriates \$937,000 from the FY 1984 appropriation to the Department of Human Services for capital projects at the Mental Health Institutes, and the Juvenile Institutions.

S.F. 333

Sec 4 Appropriates \$17,810,507 to the Department of Human Services for operating expenses at the Iowa Veterans Home and allows up to \$95,000 of funds appropriated to be used to match federal funds for a capital renovation project at Loftus Hall. The Department of Human Services is authorized to use \$20,000 of funds available to the Iowa Veterans Home for purposes identified by the department.

Sec. 5 Appropriates \$30,373,015 to the Department of Human Services for the operations of the state mental health institutions. The department is instructed to:

- Maintain the geriatric program at the Mt. Pleasant MHI and to consider any reduction of the catchment area as temporary.
- Deposit client participation receipts in the General Fund.
- Prohibit a mental health institute from accepting a child in need of assistance for more than thirty days.

- Exclude the costs of the psychiatric residency and chaplain intern programs from the per diem rates charged to the counties.
- Submit a report to the General Assembly on the potential impact of averaging the per diem costs of the four mental health institutes to arrive at a statewide per diem rate.
- Expand efforts for the recruitment and retention of psychiatrists.

Sec. 6

Appropriates \$47,400,996 to the Department of Human Services for the operations of the state hospital-schools and specifies how per-patient-per-day costs are to be calculated and billed to the counties.

Sec. 7

Requires the state hospital-schools and mental health institutes to deposit the non federal portion of the Title XIX, Medicaid funds in the medical assistance fund of the Department of Human Services.

Sec. 8

Appropriates 53,360,000 to the Department of Human Services for the state Community Mental Health and Mental Retardation fund.

Sec. 9

Requires the General Assembly and the Corrections and Mental Health Appropriations Subcommittee to review the General Assembly's action which abolished the hospital-schools revolving fund.

Sec. 10

Requires the Commissioner of the Department of Human Services to prepare a study of the disabled population of Iowa.

Sec. 11

Specifies that the billings by the Woodward Warehouse to institutions exclude any costs incurred by the distribution of federal surplus commodities.

Sec. 12

Increases the reimbursement to employees for damaged or destroyed property detailed in section 217.23(2), Code of Iowa from \$75.00 to \$150.00.

Sec. 13

Appropriates all federal grants and receipts for use as specified in the grants and receipts. Requires that funds received by the Iowa Veterans Home for veterans per diem and funds received by the Mental Health Institutes and Hospital Schools from Title XIX reimbursements be deposited in the General Fund.

Sec. 14.25

Appropriates \$937,000 to the Department of Human Services For life safety improvements at the Cherokee and Independence Mental Health Institutes.

Sec. 14.2b Appropriates \$278,450 to the Department of Human Services to complete the capital improvements at the state hospital-schools.

Sec. 15 Allows the Department of Human Services to use up to \$75,000 of funds remaining for completed capital projects to renovate the Loftus Hall at the Iowa Veterans Home.

S.F. 2351

General Administration

Sec. 1 Appropriates \$7,187,000 for salary and support of 426.73 full-time equivalent positions including \$180,000 for implementation of a medically needy program. Medically needy funding is for changes to the department's and medical carrier's data processing systems and an outside contract to assist in implementing the medically needy program.

Allows the department to expend any funds remaining from the civil antitrust judgement involving the sale of chickens during FY '85.

Field Operations

Sec. 2 Appropriates \$19,768,000 for salary and support of 2,189.3 full-time equivalent positions. The appropriations includes \$380,000 for 44.3 full-time equivalent for the medically needy program and \$72,000 for three additional protective service workers.

Special Programs

Sec. 3.1 AFDC
Appropriates \$64,600,000 to match federal funding (state-44.76%/federal-55.24%) to provide grants for approximately 111,245 recipients (regular AFDC - 93,263, AFDC-UP - 17,982). The appropriation is based on estimated child support recoveries of \$19.0 million and other adjustments relating to child support legislation (mandatory wage, long arm, administrative process - \$200,000 and the medically needy program \$200,000).

Sec. 3.1a Requires the department to adjust the schedule of living costs (standard of need) so that the payment level (schedule of basic needs) represents 72% of the standard.

Sec. 3.1b Requires the department to establish a work incentive demonstration program for AFDC recipients which also incorporates the coordinated manpower services demonstration program. Recipients who participate shall be paid a transportation and participation allowance of \$5 per day.

Sec. 3.2

Medical Assistance

Appropriates \$134,350,000 to match funds (state-46.42%/federal-53.58%) to provide reimbursement for medical services for approximately 173,000 eligibles, including approximately 14,000 eligible under the medically needy program.

Medically needy funding is approximately \$2.0 million (\$1,650,000 included in medical assistance appropriation and \$350,000 from the indigent patient care appropriation). Also provides language establishing the medically needy program for pregnant women or children under twenty-one years of age, for a two-month certification period and retroactive for a three-month period, with a 133 1/3% spenddown provision. The program is effective November 1, 1984. This section also outlines restrictions on reimbursements for abortion services.

Relates to the Title XIX waiver the Department of Human Services and the University of Iowa Hospitals and Clinics are seeking for the medically needy program. Also requires the University of Iowa Hospitals and Clinics to collect and provide to the Legislative Fiscal Bureau information on the Indigent Patient Care Program and the Medically Needy Program.

Directs the department to eliminate rules relating to prior authorization on prescription drugs.

Allows Title XIX reimbursement for certain over-the-counter aspirin and acetaminophen, ferrous salts of iron, and prenatal multiple vitamins.

Allows the department to contract with the Iowa Pharmacy Foundation for a drug utilization review program.

Directs the department to proceed with its proposal for a home and community based services waiver under Title XIX.

Sec. 3.3

Contractual Services - Medical Carrier

Appropriates \$2,200,000 to fund claims processing for the medical assistance program, health department contract for the inspection of nursing homes and the state's share of utilization review for acute and long-term care.

Sec. 3.4 Child Support Recovery Unit
Appropriates \$840,000 to match federal funds (state-30%/federal 70%) for salary and support of 96 full-time equivalent positions to provide child support recovery assistance for both public assistance and non-public assistance cases.

Allows commissioner to establish new positions within the child support recovery unit, above the 96 full-time equivalent limit if a two-to-one cost effectiveness ratio can be demonstrated. Child support recoveries are estimated at \$19.0 million for FY '85.

Sec. 3.5 State Supplementary Assistance
Appropriates \$8,450,000 to provide funds to supplement the income of individuals who meet all SSI eligibility requirements except income and whose income is insufficient to meet the cost of residential care, family life home, home health, dependent person allowance, mandatory supplementation, and burials. The appropriation also provides for a 3% increase in the residential care facility reimbursement rate.

Sec. 3.6 Aid to Indians
Appropriates \$37,000 to provide general relief to needy residents of the Tama County Indian Settlement. Allows the tribal council to use up to 10% of the appropriation for administrative expenses.

Sec. 3.7 Home Based Services
Appropriates \$5,180,000 to provide funding for Home Based Treatment, Subsidized Adoptions and Family Planning. This amount includes a \$160,000 allocation for Family Planning Services.

Sec. 3.8 Foster Care
Appropriates \$21,930,000 to provide funding for approximately 1,361 children in foster family homes, 1,285 children in group care, 200 children in shelter care, and 45 in independent living. \$63,000 of the appropriation is allocated for foster parent training. Funds appropriated for foster care may be transferred to fund subsidized adoption services. This section also requires that no more than 40% of all children in foster care funded under Title IV, Part E of the federal social security act be in foster care for more than twenty-four months.

Sec. 3.9 Community Based Services
Appropriates \$1,650,000 for the following:

- a. Child Care Centers \$ 425,000
- b. Child Abuse Prevention 125,000
- c. Displaced Homemakers 100,000
- Domestic Abuse 100,000
- d. Community Based Juvenile Grants 255,000
- e. Diagnostic & Evaluation Services 50,000
- f. Shelter/Detention 10,000
- *Protective Day Care 249,000
- *State Cases 336,000

*The allocation is not specifically identified within this section of the bill.

Sec. 3.10 County Based Reimbursement
Appropriates \$1,550,000 to reimburse counties for service expenditures above a county's base established under Chapter 232.141 of the Code of Iowa.

Sec. 3.11 State Training School and Juvenile Home
Appropriates \$7,235,000 to provide funding for 196.5 full-time equivalent positions at the Boys' Training School and 115 full-time equivalent positions at the Iowa Juvenile Home.

ITEM
VETO
Requires the department to close a living unit at the Boys' Training School and establish the maximum capacity at 180 beds. The department is also required to notify the chief judges of the judicial districts and the chairperson and ranking members of the Social Services Appropriations Subcommittee of the number of residents at the Eldora campus when that number equals or approaches 180.

Sec. 3.12 Volunteers
Appropriates \$72,000 to provide funds to develop and organize volunteer efforts in each of the 99 counties.

Block Grant Supplementation
~~Sec. 4.1~~ Appropriates \$1,940,000 for supplementation of the federal Social Services Block Grant for allocation to the various counties for the purchase of local services. Requires the department to increase the income guidelines for SSBG eligibles by the same amount and at the same time as federal social security benefits are increased. The income guidelines for day care services are increased by 10%. Also allows up to 49 of the block grant allocation to be used for day care without any local match.

Sec. 4.2 Allocates an additional **\$250,000** of the funds appropriated in Section 4 for child day care services and requires counties to demonstrate a maintenance of effort to be eligible for the additional funding.

Sec. 4.3 Requires the department to maintain the current eligibility standards for sheltered work and work activity services, which disregards the first **\$65** of income from sheltered work or work activity services and **50%** of any income from sheltered work or work activity services above **\$65**.

Reimbursement Rates

Medical Assistance

Restores the 2.8% reduction to providers on July 1, 1984 and increases the restored rates by 1.2% for certain providers. Also requires the department to continue the **2.5%** reduction to all providers except for rural health clinic services.

Sec. 5.1a Increases the reimbursement rates for psychologists to the 40th percentile of psychologists profiles based on FY '83 data effective November 1, 1984, the July 1, 1984 reimbursement rates may be increased by no more than **3%**.

Sec. 5.1b Increases the reimbursement rates for optometrists to the 28th percentile of optometrists profiles based on FY '83 data. Effective November 1, 1984, the July 1, 1984 reimbursement rates may be increased by no more than **3%**.

Sec. 5.1c Establishes the maximum reimbursement rate for intermediate care facilities at the 66th percentile of facilities on July 1, 1984 (maximum rate - \$30.20). Also requires the department to reinstate the incentive and inflation payments based on the rules in effect prior to November 1, 1983.

Sec. 5.2.a Residential Care Facilities
Increases the cost related maximum reimbursement rate to the 25th percentile of actual allowable per diems in effect on June 30, 1984. (Maximum rate - \$17.35)

Sec. 5.2b Increases the flat rate for residential care facilities to \$12.35.

Sec. 5.2c Restores the 2.8% reduction to reimbursements for in-home related care under the state supplementary assistance program.

Sec. 5.3 Foster Care/Subsidized Adoptions
Increases the reimbursement rate for family foster homes and subsidized adoption by not more than **3%** of the rates in effect on July 1, 1983.

Sec. 5.4 Purchase of Service
Increases purchase of service reimbursement rates by not more than **3%** of the rates authorized on July 1, 1983.

Sec. 5.5 Local Purchase of Service
Increases reimbursement rates for local purchase of service providers by not more than **3.5%** of the rates authorized on July 1, 1983.

Sec. 5.6 Medical Assistance
Requires the Board of Pharmacy Examiners to rescind rules related to the reduction of charges to the medical assistance program.

Sec. 5.7 Requires the Department of Human Services and Department of Health to study the feasibility of establishing a special classification within the intermediate care facility classification for brain-injured individuals.

Involuntary Transfer

Sec. 6 Prohibits skilled nursing facilities or intermediate care facilities receiving payments under Title XIX from involuntarily transferring any patient if that patient had previously been receiving medical assistance and has been disqualified due to increased income, but agrees to pay all the patient's income not exempt and that payment equals or exceeds the medical assistance reimbursement for that family.

Transfers

Sec. 7 Prohibits transfers under section 8.39 of the Code of Iowa except between ADC, medical assistance, foster care and county-based reimbursements.

Additional Staff

Sec. 8 Allows the department to add additional FTE's over the limits contained in the bill if additional federal funding is received that was not originally anticipated.

Supplemental Security Income Reimbursement to Counties

Sec. 9 Allows counties to recover interim general assistance payments made to individuals applying for SSI and determined to be eligible at a later date.

Emergency Rules

Sec. 10 Provides emergency rule-making authority to the department for certain changes required by the bill. .

Foster Care Review Board

Sec. 11 Appropriates \$70,000 to fund two pilot projects for citizen's review of children entering or currently living in foster care arrangements.

Federal Funds

Sec. 12 Requires the department to expend all federal funds for the purposes set forth in the federal grants or receipts.

Capital Improvements

Sec. 13 Prohibits funds appropriated by this Act to be used for capital improvements.

INDUSTRIAL COMMISSIONER

H.F. 2521

Sec. 2.9 Appropriates \$981,702 for salaries, support, maintenance and other operational purposes.

INSURANCE, IOWA DEPARTMENT OF

H.F. 2521

Sec. 2.10 Appropriates \$2,691,974 for salaries, support, maintenance and other operational purposes. Permits the Insurance Department to spend additional funds for actual expenses which exceed the funds budgeted for company examinations and directly result from examinations of insurance companies. The State Comptroller must approve expenditures if the Comptroller determines that the department does not have other funds from which the examination expenses can be paid. The excess amounts shall be collected from those insurance companies being examined which caused the excess expenditures and the collections shall be treated as repayment receipts.

JOB SERVICE, IOWA DEPARTMENT OF

H.F. 2521

Sec. 2.11 Appropriates \$160,398 for salaries, support, maintenance and other operational purposes for the administration of the the FOAB and TOASI programs.

Sec. 7 &

Sec. 9 Appropriates \$3,381,945 from the Iowa Public Employees' Retirement System fund for salaries, support, maintenance, and other operational purposes to pay the costs of administration of the Iowa Public Employees' Retirement System.

ITEM
VETO

It is the intent of the General Assembly that the Department of Job Service and the Advisory Investment Board of IPERS shall evaluate their holding of stocks and the voting rights to the stock with respect to the involvement of the stock issue in doing business with or investing in the Republic of South Africa. It is also the intent of the General Assembly that after July 1, 1984 that in response to the appropriations made in Section 7 there shall not be any investment in any person making an investment in South Africa.

JUDICIAL DEPARTMENT

H.F. 2518

Sec. 8.1 Appropriates \$11,741,199 for salaries of Supreme Court Justices, Appellate Court Judges, District Court Judges, District Associate Judges, Judicial Magistrates and staff, maintenance and equipment.

Sec. 8.2 Appropriates \$56,124 for salaries, support and maintenance of the Board of Law Examiners, Board of Examiners of Shorthand Reporters and Judicial Qualifications Commission.

Sec. 8.3 Appropriates \$1,489,555 to the District Courts for salaries, support and maintenance.

Sec. 8.4 Appropriates \$8,310,000 for the payment of costs related to the court reorganization as provided in section 602.11101, Code Supplement 1983. The intent section states that the state may delay the schedule of state assumption of responsibility for the fiscal year beginning July 1, 1985. If the state is unable to fully assume the 1985-86 fiscal year component of the court system, the chairpersons of the House and Senate Committees on Appropriations shall notify the Supreme Court and the counties of this possible delay by no later than February 15, 1985.

Sec. 8.5 Appropriates \$101,495 for salaries and support within the state and district court administrator's offices for the implementation of court reorganization,

Sec. 8.6 Appropriates \$765,182 for salaries, support, maintenance and equipment of the Court Administrator and the Clerk of the Supreme Court.

Sec. 9 Allows the funds appropriated for jury and witness fees in fiscal year 1984 to carry forward to fiscal year 1985.

- H.F. 2518
Sec. 14 Amends section 602.1303, subsection 7, Code Supplement 1983 requiring a county or city to pay the costs of its dispositions, transcripts, court fees and costs provided by law in criminal actions prosecuted by that county or city. A county or city shall pay witness fees and mileage in trials of criminal actions prosecuted by the county or city under county or city ordinance.
- Sec. 15 Amends section 602.11101, subsection 1, Code Supplement 1983 requiring the state to assume the responsibility for and the costs of jury fees and mileage as provided in section **607.5**. On July 1, 1984, the state shall assume the responsibility for and the costs of prosecution witness fees and mileage and other witness fees and mileage assessed against the prosecution in criminal actions prosecuted under state law.
- Sec. 16 Amends section 815.13, Code Supplement 1983, adding clarifying language on prosecution costs, witness fees and mileage in trials of criminal actions prosecuted by the county or city under county or city ordinance. These fees and costs are recoverable by the county or city from the defendant unless the defendant is found not guilty or the action is dismissed, in which case the state shall pay the witness fees and mileage in cases prosecuted under state law.
- Sec. 17 Repeals Section 602.11104, Code Supplement 1983, which was the section that provided that a county employee who becomes a state employee as a result of court reorganization shall receive the compensation and other benefits provided to state employees unless the employee files an election with the state court administrator to receive county compensation and benefits. This election must be filed within 30 days prior to or 30 days after the employee becomes a state employee. The election may be revoked by the employee. The state court administrator will reimburse the counties for expenses incurred as a result of employee elections.
- Sec. 18 States that an election made by a county employee under section 602.11104, Code Supplement 1983, (repealed in Section 17 of H.F. 2518), during the thirty days prior to July 1, 1984 is void.

- H.F. 2521
Sec. 10.5 Delays the scheduled assumption of state responsibility for court attendants and for juvenile probation officers for a period of one year. Under section 602.11101, subsections 3 and 4, Code Supplement 1983, court attendants shall become state employees on July 1, 1985. This subsection delays the assumption of responsibility for these two components of the **court** system until January 1, 1986, and July 1, 1986 respectively.

ITEM
VETO

The subsection also states that the percentage remittance to the counties from the court revenue distribution account under section 602.8108, Code Supplement 1983, for fiscal year 1984 (60%) shall not be reduced for fiscal year 1985.

JUSTICE, DEPARTMENT OF

- H.F. 2518
Sec. 1.3a Appropriates \$2,732,074 to the office of the Attorney General for salaries, support and maintenance.
- Sec. 1.3b Appropriates \$81,408 to the Prosecuting Attorney Training Program for salaries, support, maintenance and miscellaneous purposes. Funds shall be used to attract federal and county funding.
- Appropriates **\$75,000** to the Prosecuting Attorney Training Program for the payment of grants to Dispute Resolution Programs, Responsibility for this program was transferred from Court Administration.
- Sec. 1.3c Appropriates \$52,500 to the Prosecuting Intern Program. Funds will be matched by participating counties.
- Sec. 2.1 Appropriates an amount not exceeding **\$95,000** from the General Fund to the Department of Justice for the enforcement of the Iowa competition law. The expenditure of the funds is contingent upon receipt by the General Fund of an amount at least equal to either (1) the expenditures from damages awarded to the state or a political subdivision of the state by a civil judgment under chapter 553, Code of Iowa, or (2) costs or attorney fees awarded the state in state or federal antitrust actions.
- Sec. 2.2 Appropriates \$30,000 from the General Fund to be used for public education relating to consumer fraud. The expenditure of these funds is contin-

gent upon receipt by the General Fund of an amount at least equal to the expenditures from damages awarded to the state by a civil consumer fraud judgement, if the judgement authorizes the use of the award for public education on consumer fraud. Funds received in a previous fiscal year which have not been expended shall be credited to this fiscal year.

LABOR, BUREAU OF

H.F. 2518
Sec. 10.1 Appropriates **\$1,484,482** for salaries, support and maintenance.

S.F. 2361
Sec. 25.1 Appropriates **\$33,000** for the performance of responsibilities under H.F. 2183, enacted by the 70th General Assembly, 1984 Session. This Act provides that business entities engaging in the removal or encapsulation of asbestos must be licensed.

Sec. 25.2 Appropriates **\$47,000** for the performance of duties specified under the Hazardous Chemicals Risks, Right-to-Know Act, S.F. 2248, enacted by the 70th General Assembly, 1984 Session.

LANDSCAPE ARCHITECTURAL EXAMINERS, BOARD OF

H.F. 2521
Sec. 1.2 Appropriates **\$10,345** for salaries, support, maintenance and other operational purposes.

LAW ENFORCEMENT ACADEMY

S.F. 2331
Sec. 1.1 Appropriates **\$797,300** for salaries, support, maintenance and miscellaneous purposes to maintain the current program.

LEGISLATIVE FISCAL BUREAU

H.F. 2581
Sec. 10.2 Appropriates **\$548,545** for salaries, support and maintenance.

LEGISLATIVE SERVICE BUREAU

H.F. 2518
Sec. 10.3a Appropriates **\$1,008,784** for salaries, support and maintenance.

Sec. 10.3b Appropriates **\$14,580** for drafting, research, and Code data processing programs and services.

LEGISLATURE

S.F. 2359
Sec. 7.7
ITEM
VETO
Appropriates **\$50,000** to the Comparable Worth Review Committee for the performance of responsibilities under S.F. 2359. The Committee shall contract with outside personnel or with state agencies for completion of the review process.

Sec. 7.8
Appropriates \$50,000 to the Comparable Worth Review Committee for allocation to state agencies with wholly or partially exempt from the merit system for development of comparable worth implementation proposals. The proposals will be provided to the Comparable Worth Review Committee. Funds shall also be provided to the State Board of Regents and the Judicial Department for assistance in performing the responsibilities designated under the Comparable Worth Act.

LIBRARIES

H.F. 2518
Sec. 10.5a Appropriates **\$1,005,076** to the state library for salaries, support and maintenance.

Sec. 10.5b Appropriates **\$1,338,635** to the Regional Libraries.

MEDICAL EXAMINERS, BOARD OF

S.F. 2334
Sec. 3.1 Appropriates **\$622,866** to the Board of Medical Examiners for salaries, support and maintenance of 14 FTE positions.

MERIT EMPLOYMENT

S.F. 2359
Sec. 7.9
ITEM
VETO
Appropriates **\$50,000** to fulfill the Department's responsibilities under the Comparable Worth Act, enacted in the 70th General Assembly, 1984.

H.F. 2518
Sec. 10.6 Appropriates **\$1,428,460** for salaries, maintenance and miscellaneous purposes.

MISSISSIPPI RIVER PARKWAY COMMISSION

H.F. 2520
Sec. 15
Appropriates **\$14,580** for dues and support for Commission activities related to the promotion of the Grant River Road.

NATIONAL CONFERENCE OF STATE LEGISLATURES

H.F. 2518
Sec. 10.4 Appropriates \$48,085 for Iowa's organizational membership assessments.

NURSE EXAMINERS, BOARD OF

S.F. 2334
Sec. 3.2 Appropriates \$523,773 to the Board of Nurse Examiners for salaries, support and maintenance of 16 FTE positions. Additional language is legislative intent that a licensed practical nurse working in a Headstart program need not be supervised by a licensed registered nurse or physician.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

H.F. 2521
Sec. 2.12 Appropriates \$48,594 for salaries, support, maintenance and other operational purposes.

PAROLE, BOARD OF

S.F. 2333
Sec. 3 Appropriates \$417,472 to the Board of Parole for operating expenses, and requires the Board to continue the development and use of objective parole criteria in evaluating inmates for parole.

PHARMACY EXAMINERS, BOARD OF

S.F. 2331
Sec. 3.3 Appropriates \$347,867 for salaries, support and maintenance of 12 FTE positions. Additional language mandates that the board generate enough receipts to reimburse the General Fund of the state for the state's portion of the costs incurred for the auditing of pharmacies.

PIONEER LAWMAKERS

H.F. 2518
Sec. 10.7 Appropriates \$729 to cover expenses for the lawmakers.

PLANNING AND PROGRAMMING, OFFICE FOR

H.F. 2518
Sec. 10.8a Appropriates \$78,312 for the Iowa Highway Safety Program.
Sec. 10.8b Appropriates \$78,759 for salaries, support and maintenance to develop and administer employment opportunity programs for youth.

Sec. 10.8c Appropriates \$542,195 to the General Operating Account for salaries, support and maintenance.

Sec. 10.8d Appropriates \$162,670 to Economic Analysis and Planning Assistance for salaries, support and maintenance.

Sec. 10.8e Appropriates \$64,147 to the Iowa Council for Children for salaries, support and maintenance.

Sec. 10.8f Appropriates \$175,478 to the Statistical Analysis Center for salaries, support and maintenance. Intent language states that the center have a respected criminal justice authority independently validate the Center's risk assessment model.

Sec. 10.8g Appropriates \$874,800 to the Iowa Youth Corps to employ youth in summer and in-school projects.

Sec. 10.8h Appropriates \$101,424 for salaries, support, and maintenance. Funds are required as a match for federal dollars.

Sec. 10.8i Appropriates **\$1,500,000** for deposit to the Community Development Loan Fund.

Sec. 10.8j Appropriates \$300,000 for the purposes of the Cultural Community Grants Program established under 1983 Iowa Acts, Chapter 207. Intent language states that any unencumbered or unobligated balance remaining as of June 30, 1984 of the fiscal year 1984 appropriation shall not revert to the General Fund until January 1, 1985.

Sec. 10.8k Appropriates \$1,063,600 for salaries, support, maintenance, and miscellaneous purposes to develop and administer the Job Training Partnership Act.

PUBLIC DEFENSE, DEPARTMENT OF

National Guard

S.F. 2337

Sec. 1.2 Appropriates \$2,993,334 for salaries and support for six programs including administration, armories, maintenance facilities, air guard, Camp Dodge, and training sites. Intent language is included to reduce the per capita fund (section 29A.33 of the Code of Iowa) to \$5 per capita to be paid on a semi-annual basis.

S.F. 2361

Sec. 32.8

Appropriates \$300,000 for the construction of an armory in Clinton. Provides that the proceeds from the sale of the Dubuque Armory revert to the General Fund rather than to the national guard facilities improvement fund.

Office Of Disaster Services

S.F. 2337
Sec. 1.3 Appropriates \$118,295 for the salaries and support of the 'current program for the Office of Disaster Services.

PUBLIC EMPLOYMENT RELATIONS BOARD

H.F. 2521
Sec. 2.13 Appropriates \$542,838 for salaries, support, maintenance and other operational purposes.

PUBLIC INSTRUCTION, DEPARTMENT OF

H.F. 2519
Sec. 6.1a Appropriates to the General Office \$3,578,008 for salaries, support, maintenance, and miscellaneous purposes.
Sec. 6.2 Appropriates to Vocational Education Administration \$878,934 for salaries, support, maintenance, and miscellaneous purposes.
Sec. 6.4 Appropriates to Vocational Rehabilitation \$2,696,181 for salaries, support, maintenance, and miscellaneous purposes.
Sec. 6.5 Appropriates to the Professional Teaching Practices Commission \$56,984 to carry out the provisions of chapter 272A.
Sec. 6.11 & Sec. 14 Strikes the standing limited appropriation of \$250,000 for the computer software clearinghouse and appropriates \$200,000 for this purpose in FY '85.

AREA SCHOOLS

H.F. 2519
Sec. 6.1b Appropriates to Fire Service Education \$200,000. This program is coordinated between DPI, the merged area schools and Iowa State University.
Sec. 6.123, Sec. 7 & 8 Appropriates \$55,106,024 to the fifteen area schools for maintenance of current programs. Of the total appropriation \$41,329,517 is paid in FY '85 and \$13,776,507 is paid in FY '86.
Sec. 6.12b Appropriates \$8,456,400 to be utilized to match federal monies for continuing and new vocational education programs offered by merged area schools.
Sec. 6.12c Appropriates \$75,000 to provide funds for industrial start-up training programs in merged area schools.

S.F. 2361
Sec. 9 Appropriates \$500,000 to provide funds for equipment replacement in merged area schools.

S.F. 2330
Sec. 1 Deappropriates \$14,113,875 in general aid to the merged area schools for FY '84. This amount, \$13,718,686 (less 2.8%), is reappropriated for FY '85. This shift does not affect the date or amount of payments, but accounts for the expenditure in FY '85 rather than FY '84.

Secondary-Elementary

H.F. 2519
Sec. 6.3 Appropriates \$3,760,688 for aid to local school districts for development and operation of vocational programs, services and activities.
Sec. 6.6 Appropriates \$9,720 to the Vocational Youth Organization Fund to continue funding to specified youth organizations as provided in the Code of Iowa.
Sec. 6.7 Appropriates to the School Food Service \$3,207,600. This is for the purpose of providing assistance to students enrolled in public and non-public schools for breakfasts, lunches and equipment purchases.
Sec. 6.9 Appropriates to the School Budget Review Committee \$30,000. This is for SBRC to distribute to local school districts which encounter unusual or unique costs.
Sec. 6.10 Appropriates for the Non-English Speaking Students \$194,400 to public schools and nonpublic school students for special instruction for non-English speaking students.
Sec. 15 Limits the standing appropriation for the improvement of science and math teaching programs to \$40,000.
Sec. 20 Limits the appropriation for the science and foreign language payment program to \$2,100,000.
S.F. 2361
Sec. 8 ITEM VETO
Appropriates to the DPI \$150,000 for an educational excellence program. Sections 1 through 7 establish the program and state that school districts can apply for grants up to \$5,000 to fund new projects or they can apply for up to 1 percent of the district cost per pupil multiplied by the budget enrollment. The project then is to be funded one-fourth from the district's existing budget and three-fourths from an increase in allowable growth.

- H.F. 2521
 Sec. 10.1 Adjusts the state percent of growth down by one percentage point if state General Fund revenues do not grow 7 percent from FY '85 to FY '86. State aid will decrease by \$15 million and property tax will decrease by \$4 million.
- Sec. 10.2 Keeps the school foundation level at 79 percent. The effect would be that state aid will decrease by \$14 million and property tax will increase by \$14 million as a result.
- ITEM
 VETO

Other Grants and Aids

- H.F. 2519
 Sec. 6.8 Appropriates \$388,800 for Textbooks of Nonpublic School Pupils to provide funds for costs of providing textbooks to each resident pupil who attends a nonpublic school.
- Sec. 19 Allows reimbursement of actual per pupil cost rather than average district cost for the appropriation for transportation of non public students.

PUBLIC SAFETY, DEPARTMENT OF

- S.F. 2337
 Sec. 2.1 Appropriates \$4,687,600 for salaries, support and communications.
- S.F. 2361
 Sec. 24 Appropriates \$200,000 to the victim reparation program.
- S.F. 2337
 Sec. 2.2 Appropriates \$1,026,700 for administration and support of the Fire Marshal's office.
- Sec. 2.3 Appropriates \$672,000 for salaries and support of the Capitol Security Division.
- Sec. 2.4 Appropriates \$4,663,500 for salaries, support and equipment for the Division of Criminal Investigation (DCI), \$200,000 for undercover purchases by DCI officers and local law enforcement officers and \$175,000 for employment of parimutuel agents.

Highway Safety and Uniformed Force

- S.F. 2330
 Sec. 20 Appropriates \$16,232,000 for salaries, support, maintenance and miscellaneous purposes for the Highway Patrol.

- S.F. 2337
 Sec. 2.5 Appropriates \$53,125 for various crime prevention programs sponsored by the Department of Public Safety.

States that the Patrol shall try to purchase one-half of their motor fuel and special fuel from other state agencies for FY '85.

Requires that the department have no more than seven cars to be used for administrative purposes.

- S.F. 2361
 Sec. 22 Appropriates **\$70,000** for the purchasing of land and the building of a new tower in Cedar Falls.

- Sec. 26 Appropriates \$300,000 additional for salaries, support and miscellaneous purposes for the Highway Patrol.

PUBLIC TELEVISION, IOWA

- H.F. 2519
 Sec. 8 Appropriates \$6,156,717 salaries, support, maintenance, and miscellaneous purposes.

RACING COMMISSION, IOWA

- H.F. 2521
 Sec. 2.15 Appropriates \$296,400 for salaries, support, maintenance and operational purposes.

REAL ESTATE COMMISSION, IOWA

- H.F. 2521
 Sec. 2.14 Appropriates \$319,345 for salaries, support, maintenance and other operational purposes.

REGENTS, BOARD OF

- H.F. 2519
 Sec. 9.1a Appropriates \$433,343 for salaries, support, maintenance, equipment and miscellaneous purposes.
- Sec. 9.1b Appropriates \$102,060 to be allocated at the discretion of the Board of Regents for continuing education in western Iowa.
- Sec. 9.1c Appropriates **\$15,111,842** to reimburse SUI, ISU, and UNI for capital bond financing.
- Sec. 9.1d Appropriates **\$7,582** to support Iowa's portion of the Quad Cities Graduate program. The cost is shared with Illinois.

Sec. 9.2- Appropriates **\$288,853,966** for 1985 to the five
 Sec. 9.6 institutions under the control of the Board of Regents for salaries, support, maintenance, equipment and miscellaneous purposes.
 The line item appropriations are as follows:

<u>Institution</u>	<u>FY 1984</u>
SUI-General University	\$ 104,122,153
SUI-University Hospitals	23,958,998
SUI-Family Practice Program	1,353,866
SUI-Psychiatric Hospital	5,182,049
SUI-Hygenic Laboratory	2,027,713
SUI-Hospital School	3,631,894
SUI-Oakdale Campus	<u>1,708,232</u>
Subtotal - SUI	\$ 141,984,905
ISU-General University	\$ 86,144,027
ISU-Ag-Home Exp. St.	10,151,529
ISU-SBDC	500,000
ISU-Coop Exten. Service	<u>9,658,897</u>
Subtotal - ISU	\$ 106,454,453
University of Northern Iowa	\$ 33,900,569
School for the Deaf	8,241,428
Braille and Sight Saving School	<u>2,272,611</u>
TOTAL	\$ 288,853,966

Sec. 10 Appropriates **\$21,324,000** for fuel and electricity used at the five institutions under the control of the Board of Regents. Any difference between the amount appropriated and the amount purchased can be used for maintenance.

Sec. 11 States that the vitality and quality funds for UNI shall be distributed according to the contract or by method agreeable to both parties.

Sec. 12 States that at least \$100,000 of the funds received by the sale of bonds of SCR 13 shall be used for renovation of the Old Administration Building.
 ITEM
 VETO

Sec. 13 Allows individual institutions under the control of the Board of Regents to apply for up to **\$100,000** of the fuel and electricity fund which was established for FY '84.
 ITEM
 VETO

S.F. 2330 Allows the Board of Regents to utilize federal oil overcharge funds until June 30, 1986.
 Sec. 4

Sec. 5 Deappropriates **\$4,239,000** in various capita projects at the institutions of the Board of Regents for FY '84.

Sec. 15 Deappropriates **\$852,304** in tuition replacement funds for FY '84. This section also allows any funds unexpended at the end of FY '84 to be used in FY '85.

Sec. 16 Deappropriates **\$600,000** in statewide energy management funds at the Board of Regents for FY '84.

S.F. 2361 Appropriates to the Board of Regents **\$1,550,000** in the following manner:
 Sec. 12

University of Iowa	\$ 700,000
Iowa State University	550,000
University of Northern Iowa	300,000

Sec. 13-15 Appropriates **\$200,000** for the establishment of a meat export research center,

Sec. 16-11 Requires Iowa State University Experimental Station to conduct research to identify and improve fruits and vegetables which may be grown in Iowa. Appropriates **\$50,000** to the Muscatine Island research station for this purpose. Also appropriates **\$60,000** for a new research center in western Iowa.

Sec. 18-19 Appropriates \$35,000 to the Iowa State Cooperative Extension Service to employ a state extension fruit specialist.

Sec. 21-22 Appropriates **\$22,000** to the Iowa State University Department of Agronomy to conduct research to identify crops, other than corn and soybeans, which can be effectively grown in Iowa

Sec. 23 Appropriates \$200,000 to Iowa State University for a new food crops research center.

Sec. 27-28 Appropriates **\$200,000** to Iowa State University for the Cooperative Extension Service to develop computer software to offer financial management services,

HCR 117 Expands the scope of the original bonding authority in SCR 113. The two projects anticipated to be funded by this expanded authority are:

- ISU - remodeling of the existing agronomy building
- SUI - equipment for the theater addition.

REVENUE, DEPARTMENT OF

H.F. 2521 Appropriates **515,760,007** for salaries, support, maintenance and other operational purposes.
 Sec. 2.16

Sec. 6 Appropriates \$820,035 from the Motor Vehicle Fuel Tax Fund for salaries, support, maintenance and other operational purposes for administration and enforcement of the motor vehicle use tax program.

S.F. 2330
Sec. 42 States that it is the intention of the General Assembly that the Department of Revenue conduct a study during the 1984 interim to determine a feasible method of disallowing certain interest expense deductions on tangible personal property which is manufactured or substantially assembled outside of the United States and purchased by a taxpayer.

ITEM
VETO

SCIENCE, IOWA ACADEMY OF

H.F. 2518
Sec. 10.9 Appropriates \$60,400 to supplement the support and maintenance of the Academy.

SECRETARY OF STATE

H.F. 2521
Sec. 2.17 Appropriates \$1,062,176 for salaries, support, maintenance and other operational purposes. Appropriates \$62,500 for editing and printing the Iowa Official Register. It is the intent of the General Assembly that the Secretary of State shall publish the Iowa Official Register by April 1 if practicable.

SOIL CONSERVATION, DEPARTMENT OF

H.F. 2520
Sec. 16 Appropriates \$12,705,831 to finance operations and grants of the department including the general and district offices, soil surveys, Small Watershed Program, and cost sharing. Guidelines are provided for allocation of cost-share funds.

Sec. 17 Amends 1983 Iowa Acts, chapter 207, section 54 to reduce the appropriation for FY '85 from \$1,000,000 to \$750,000 for the Soil Conservation Revolving Fund.

SPANISH SPEAKING PEOPLE'S COMMISSION

S.F. 7334
Sec. 7.2 Appropriates \$43,197 for salaries, support and maintenance of 1 FTE position to maintain programs at the FY 1983 level. Additional funds are to contract for bi-lingual clerical help as needed.

STATUS OF WOMEN, COMMISSION ON

S.F. 2334
Sec. 2.4 Appropriates \$89,851 to the Commission of the Status of Women for salaries, support and maintenance of 3 FTE's,

SUBSTANCE ABUSE, DEPARTMENT OF

S.F. 2353
Sec. 1 Appropriates \$469,957 to the Department of Substance Abuse for salaries, support and maintenance of 19.10 FTE positions. This figure funds the administration of the department with all state dollars except for the 10% of the Alcohol, Drug Abuse and Mental Health Block Grant which federal regulations allow the department to keep for administrative purposes. The amount this year of federal dollars is \$217,000.

Appropriates \$7,150,958 for grants to local substance abuse programs.

Sec. 2 Transfers \$360,000 from the beer and liquor control fund to the Department of Substance Abuse.

Sec. 3 Mandates that the grant dollars be distributed on a formula basis.

Sec. 4 Requires a pre-screening by a licensed treatment facility before being admitted to a Mental Health Institute for substance abuse treatment. If the county board of supervisors wish to admit someone to an MHI without the admission being pre-screened, then the county is liable for 100% of the cost of treatment. The only exceptions are in the case of medical emergency or court-ordered admissions.

Sec. 5 Orders the county auditor to reduce property taxes by an amount equivalent to that which had been budgeted for substance abuse treatment at the

ITEM
VETO

Sec. 6 Amends the Code Supplement 1983 to allow the Sunday sales permits to be credited to the beer and liquor control fund and not to the counties.

Sec. 7 Amends the Code Supplement 1983 to allow the Sunday beer permits to be credited to the beer and liquor control fund and not to the county.

Sec. 8 Amends the county home rule law by striking the authority to levy taxes for substance abuse treatment at the local facilities. It still permits levying for Oakdale or the MHI's.

Sec. 9 Provides for a publication clause.
ITEM
VETO

TERRACE HILL AUTHORITY

H.F. 2518
Sec. 10.11 Appropriates \$146,278 for the operation of Terrace Hill and for conducting public tours.

TRANSPORTATION, DEPARTMENT OF
General Fund

S.F. 2337
Sec. 3 Appropriates \$5,359,853 for administration salary and support, and \$1,854,600 for implementation of a state plan for public transit assistance.

Intent language is included that allows the Public Transit Assistance Fund to obtain their funds before spending them if just cause is shown. An appropriation of \$972,000 is made to the Railroad Assistance Fund.

Use Tax

S.F. 2337
Sec. 9 Requires the transfer of \$1,000,000 of revenues derived from the Use Tax imposed on motor vehicles and trailers to Public Transit assistance for FY '84 be repaid to the Road Use Tax Fund within five years.

Road Use Tax Fund

S.F. 2337
Sec. 4.1 Appropriates \$13,094,154 for salaries, support and maintenance of the administration.

Sec. 4.2 Appropriates \$5,000 to fund two pilot projects for area-wide ride-sharing program authorized by law.
ITEM
VETO

Sec. 4.3 Appropriates \$18,000 for the purpose of making payments to the Iowa merit employment department for expenses incurred in administering the merit system for the department of transportation.

Sec. 4.4 Appropriates \$12,250 for unemployment compensation.

Sec. 5 Appropriates \$23,000 from the Road Use Tax Fund for worker's compensation.

Sec. 10 Appropriates \$900,000 to the Highway Railroad Grade Crossing Surface Repair Fund from the Road Use Tax Fund.

Sec. 11 States that any fees collected for vehicle registration plates in excess of \$120,000,000 for FY '85 will be placed in escrow by the State Treasurer until April 5, 1985. At that time, the funds will be credited to the Road Use Tax Fund.

Sec. 14 Enacts Section 10 on July 1, 1985.

Sec. 15 States publication clause for the bill.

S.F. 2330

Sec. 19 Appropriates \$3,700,000 from the Road Use Tax Fund to the General Fund for the funding of the driver's license program.

Sec. 70 Appropriates \$16,232,000 from the Road Use Tax Fund to the General Fund for the funding of the Highway Patrol.

S.F. 2359

Sec. 7.2 Appropriates from the road use tax fund to the Department of Transportation for fiscal year 1985 and amount necessary to supplement other funds appropriated by the General Assembly to provide the salary adjustments required by this Act for employees of this agency.

Primary Road Fund

S.F. 2337

Sec. 6 Appropriates from the Primary Road Fund \$121,438,357 for salaries and support, \$2,000,000 for equipment replacement costs, \$342,000 for payments to Iowa Merit Employment Department and \$232,750 for Unemployment Compensation.

Sec. 7 Appropriates from the Primary Road Fund \$437,000 for Worker's Compensation Claims.

S.F. 2359

Sec. 7.3 Appropriates from the primary road fund to the Department of Transportation an amount necessary to supplement other funds appropriated by the General Assembly to provide for salary adjustments required by this Act for employees of this agency.

Aviation Fund

S.F. 2337

Sec. 8 Appropriates \$331,000 from the State Aviation Fund for administration and support.

S.F. 2337

Sec. 13 States that all funds utilized with federal funds will be used for the purposes set forth in those funds by the federal government.

TREASURER OF STATE

- H.F. 2521
Sec. 2.18 Appropriates \$472,598 for salaries, support, maintenance and miscellaneous purposes.
- Sec. 3 Appropriates \$2,500,000 to the Moneys and Credits Replacement Fund for payments to counties as provided in section 422.100, Code of Iowa.
- S.F. 2330
Sec. 14 Deappropriates \$100,000 of the original \$139,000 appropriation for the purchase of an investment machine and system.
- S.F. 2361
Sec. 32.5 Appropriates \$100,000 to the Treasurer of the State for an investment machine and system.

UNIFORM LAWS COMMISSION

- H.F. 2518
Sec. 10.10 Appropriates \$10,498 for support of the Commission and expenses of members.

VETERANS AFFAIRS, DEPARTMENT OF

- S.F. 2334
Sec. 5.1 Appropriates \$113,280 to the Department of Veterans Affairs for salaries, support, and maintenance of 5 FTE positions. This is an increase of 1 FTE from last year as the Agent Orange Program was transferred to this department from the Health Department of FY 85.
- Sec. 5.2 Appropriates \$27,216 to the War Orphans' Educational Aid Fund.
- Sec. 5.3 Appropriates \$40,000 for chemical exposure reporting. Contains intent language that the Department of Veterans Affairs is to assume all the responsibilities of the Department of Health as specified in chapter 139A of the Code Supplement 1983.

WATER, AIR, AND WASTE MANAGEMENT, DEPARTMENT OF

- H.F. 2520
Sec. 18 Appropriates \$4,875,850 to finance operations, river coordinator, AIDEX cleanup contribution, and sewer works construction grants provided to local jurisdictions. Intent language is included to restrict the department from requiring grain dust control equipment on certain grain storage facilities.

WATER RESOURCES INSTITUTE, IOWA STATE

- H.F. 2520
Sec. 19 & Sec. 20 Appropriate \$135,000 for research approved by the Advisory Council.

WAYS AND MEANS AND FEES BILL SUMMARY

ENACTMENT LEGISLATION:

S.F. 2330
Sec. 21

DIVISION 11.

Establishes an Iowa economic emergency fund. The fund and its balance are separate from the general fund of the state except for the purposes of determining the annual inflation factor under section 422.2, subsection 18. The moneys in the fund do not revert to the general fund unless the fund would exceed the maximum balance. The maximum balance in the Iowa economic emergency fund is ten percent of the appropriations from the general fund during the preceding fiscal year. Each year the surplus in the general fund, if any, is appropriated to the emergency fund to the extent necessary to achieve the maximum balance.

The Iowa economic emergency fund may be appropriated by the general assembly only in the fiscal year for which the appropriation is made and only for a purpose for which the general assembly previously appropriated funds for that fiscal year. However, the balance in the Iowa economic emergency fund may be used in determining the cash position of the state for payment of state obligations.

FISCAL EFFECT DIVISION 11. For fiscal 1985, any surplus amount in the general fund as of the end of fiscal 1984 would shift to the Iowa economic emergency fund, leaving a general fund balance of zero. An additional appropriation to this fund from the general fund may be made during fiscal 1985 to a maximum amount of ten percent of the fiscal 1984 appropriations. For a \$2.0 billion budget, the ceiling of this fund would then be \$200.0 million.

H.F. 2295
VETOED

Provides for the establishment of a state lottery. The bill creates a state agency, to be known as the Iowa lottery, headed by a commissioner appointed by the Governor with the consent of the Senate. Iowa lottery agency will have within it three divisions: security and licensing; personnel, data processing, and accounting; and marketing, promotion, and advertising. A lottery board is created consisting of five members, appointed by the Governor subject to Senate confirmation. The board approves lottery initiations by the director, contracts for operation and promotion of the lottery, and rules made by the commissioner. The board and the commissioner shall operate the lottery so that after the initial state appropriation, it shall be self-sustaining and self-funded.

The bill further establishes a lottery fund consisting of all revenues received from the sale of lottery tickets and all other moneys lawfully credited or transferred to the fund. Interest earnings of the fund shall be considered additional profits of the lottery. The comptroller shall not include lottery revenues in the comptroller's fiscal year estimates.

As nearly as is practicable, 45 percent of the annual revenue accruing from the sale of lottery tickets, computed on a year-round average basis for each type of lottery game, shall be paid out in prizes. However, the prizes shall not be paid out in a particular lottery game in excess of the total revenue from the sales of that game. After the payment of prizes, the reasonable expenses of conducting the lottery shall be paid. Expenses for marketing, educational and informational material shall not exceed four percent of the lottery revenue.

Revenue remaining after the expenses are paid shall be apportioned for transfer on a quarterly basis to the state general fund. Lottery-revenues deposited in the general fund shall be used for economic development initiatives of a nonrecurring nature. To this end an economic development advisory projects board is created, consisting of seven members. Two members from the state House of Representatives, one from each political party, shall be appointed by the Speaker of the House of Representatives; two members from the state Senate, one from each political party, shall be appointed by the President of the Senate, in consultation with the Senate Majority Leader; and three members representing the general public who are interested in economic development shall be appointed by the Governor. No more than two members appointed by the Governor shall be members of the same political party. The board will work in conjunction with the jobs commission and the Iowa development commission to recommend to the General Assembly economic projects to be funded.

Economic development initiatives means initiatives which encourage development of capital, research and development of new products and development of jobs in Iowa by expanding existing business and industry, upgrading academic institutions in order to maintain and attract business and industry, creating new businesses and industries, encourage the conservation of energy in order to create new jobs and attract new business and industry,

H.F. 2295, cont'd.

developing alternate methods for the disposal of solid waste, development of markets for products grown or produced or manufactured in Iowa, including promotion of Iowa and Iowa products, and make grants and loans available to local communities for local economic development initiatives. Economic development initiatives do not include providing loans, grants, bonds, or any other incentive or assistance for the construction of a racetrack or other facility where gambling will be permitted. Also, economic development initiatives do not include tax abatements, tax credits, tax exemptions, or similar tax incentives to any person.

Funds equal to any initial appropriation from the general fund to the lottery shall be returned to the general fund from the receipts of the sale of tickets not later than July 1, 1985.

All cash prizes are considered Iowa earned income. Before a prize of \$600 or more is awarded the commissioner or the commissioner's designee shall deduct an amount equal to that amount necessary to pay the state and the federal taxes on the prize. An amount deducted from the prize for payment shall be transferred by the commissioner to the federal department of revenue on behalf of the prize winner,

Provisions are included in the bill for penalties for fraud connected with lotteries. The bill takes effect upon publication. Provisions of the bill will be repealed on July 1, 1987.

FISCAL EFFECT: While the fiscal impact of this bill is expected to be substantial, an exact estimate of the effect of this bill is not available due to the lack of data concerning numbers of participants, numbers of lottery games, and the sale price of the lottery tickets. It is possible that an Iowa lottery might generate between \$25.0 to \$45.0 million in its first year of operation. This unsubstantiated figure is expected to decline and steady somewhat after the first year of operation. Income from the lottery would impact only fiscal 1985, 1986, and 1987 as the enactment legislation sunsets on July 1, 1987.

FEE BILLS:

H.F. 406 Increases the fee for most fish and game licenses and stamps. Eliminates some licenses and establishes others, establishes issuance fees, and alters the duration and purchase limits on some licenses.

FISCAL EFFECT: Increase to the Fish and Game Trust Fund of \$689,500 for FY 1985 and \$2,165,550 for FY 1986.

S.F. 2205 Establishes a graduated schedule of fees for boat registration which has the effect of increasing the biennial fee for most boats.

FISCAL EFFECT: Increase to the Special Boat Fee Fund administered by the Conservation Commission an average of \$294,225 per year.

H.F. 2274 Provides that a taxpayer who has a tax liability on his income tax return may also include an additional amount for the state fish and game protection fund. If the amount of the refund or the amount of the additional taxes owed is insufficient to pay the additional amount designated by the taxpayer to the fund, the amount designated shall be reduced to the remaining amount of the refund or the remaining amount remitted with the return. The bill is retroactive to tax years beginning on or after January 1, 1984.

FISCAL EFFECT: While the bill is expected to generate increased funds for the state fish and game protection fund, the exact amount is unknown,

H.F. 2391 Changes the fees charged by the Commerce Commission to grain dealers and grain warehouses for inspections, licenses, and other services. Fees for the issuance or renewal of a license for any inspection of a grain dealer depend on the dollar volume of all grain purchased during the previous calendar year. Fees for the issuance or renewal of a warehouse license will be determined according to storage capacity. The costs of maintaining an employee of the Commerce Commission to supervise the correction of deficiencies as to the quantity or quality of agricultural products stored will be charged to warehouses.

FISCAL EFFECT: The fee increases will generate an additional \$100,000 annually, allowing recovery of 76 percent of the grain warehouse division's budget. The 76 percent recovery represents a 10 percent increase over amounts recovered previously.

- S.F. 2330 DIVISION IV.
Adjusts the Road Use Tax Fund (RUTF) and various licensing fees, provides penalties for odometer tampering, and changes the process for motor vehicle inspection. (Note: Sections 18, 19, 20, and 70 are included in the Appropriations section of this report in the Transportation and Law Enforcement Area.)
- Sec. 45, Increases the penalty for odometer tampering.
Sec. 58 FISCAL EFFECT: Unknown.
- Sec. 46 Includes odometer law enforcement regulation and refunds the program by taking \$.25 per title issuance from July 1, 1984 and through June 30, 1989. An additional \$209,469 would go to the department of transportation for administration of the program and delegation to the attorney general's office and law enforcement agencies for enforcement of this program.
- Sec. 47, Increases vehicle title fees from \$2 to \$10.
Sec. 48,
Sec. 52,
Sec. 53,
Sec. 62
- Sec. 49 Allows purchase of personalized plates for trailers weighing 1,000 pounds or less for \$25.
FISCAL EFFECT: Unknown.
- Sec. 51 Increases the cost of duplicate titles from \$5 to \$10.
- Sec. 55 Increases the fee for liens against vehicles from \$2 to \$5.
- Sec. 56 Repeals the exemption that insurers currently have pertaining to salvage certificates and requires that a salvage certificate be purchased within 14 days of the assignment of the certificate.
- Sec. 57 Increases fees for special dealer plates from \$10 to \$20.
- Sec. 60 Changes the in-transit plate fee from \$5 to \$10. This section also increases from \$2 to \$10 the fee for the certificate for a non-resident purchaser,
- Sec. 61 Increases the annual registration for motorcycles from \$10 to \$20. For motorcycles over five years old, the annual registration fee will be increased from \$5 to \$10. The moped fee increases from \$5 to \$7.
- Sec. 63 Increases the registration fee for some trailers from \$4 to \$6.

Sec. 64 Changes the percent of fees counties collect as follows:

Type of Fee	0 Previously Collected	% Fees S.F. 2330
Vehicle Registration	2.60	2.6%
Duplicate Registration	2.6	2.6
Certificates of Title	65.0	20.9
Notation/Security Interests	100.0	60.0
Duplicate Cert. of Title	65.0	40.0

Sec. 65 Raises the fees for a non-operator's identification fee from \$1 to \$5. Duplicates of these cards shall also cost \$5 rather than \$1.

Sec. 66 Changes the fees for operator's driving permits as follows:

	Currently	S.F. 2330
Operators License (2 yrs)	\$ 7.00	\$ 7.00
Operators License (6 yrs)	5.00	20.00
Chauffeurs License (2 yrs)	10.00	14.00
Chauffeurs License (6 yrs)	20.00	40.00
Instruction Permit	3.00	6.00
Chauffeurs Instruction Permit	6.00	12.00
Temporary Drivers Permit	5.00	5.00
Moped License	5.00	10.00

Sec. 67 Changes the recipients for the fees in Sec. 66 from the general fund to the RUTF.

Sec. 68 Changes the term of a chauffeurs license from 4 to 6 years.

Sec. 69 Allows peace officers to conduct spot inspections at any time or place. DOT may designate the transportation regulation and safety division to do these spot inspections.

Sec. 71 Allows reimbursement for the unexpired portion of the permit fee relating to inspection stations.

Sec. 72 Does away with mandatory vehicle inspections.
Sec. 73
Sec. 74

FISCAL EFFECT, DIVISION IV: (Assume the number of fees paid remains constant with 1983 receipts).

Doing away with inspection is basically a trade-off with the amount taken in and the cost of doing inspections, both being about \$170,000 annually.

SUMMARY FISCAL EFFECT, DIVISION IV (fees):
Increase to General Fund: (\$ 5,890,531)
Increase to RUTF: 20,091,975
Increase to Counties: 963,586

S.F. 2330

DIVISION IV, cont'd.

Annual Fee Increase Title		Fiscal Effect
	\$6,703,000	total increase -
		\$6,116,488 to RUTF,
		586,512 to counties.
In Transit Plates	\$ 20,000	total increase -
	\$ 19,840	to RUTF,
		520 to counties.
Trailer Plates	\$ 300,000	total increase -
	\$ 292,200	to RUTF,
		7,800 to counties.
Duplicate Titles	\$ 300,000	total increase -
	\$ 157,250	to RUTF,
		27,750 to counties,
Liens	\$ 937,341	total increase -
	\$ 624,894	to RUTF,
		312,447 to counties.
Motorcycle Plates	\$ 730,000	total increase -
	\$ 711,020	to RUTF,
		18,980 to counties.
Mopeds	\$ 110,000	total increase -
	\$ 107,140	to RUTF,
		2,860 to counties.
Special Plates	\$ 258,360	total increase -
	\$ 251,643	to RUTF,
		6,717 to counties.
Drivers License*	\$5,636,680	total increase -
	(\$6,100,000)	from the
		general fund,
		11,736,680 to RUTF.
Non-Operators I.D.	\$ 14,020	total increase -
	\$ 74,820	to RUTF.
Odometer Title	\$ 209,469	increase to the
		general fund.

*Note: The increase in the Drivers License fees would only last for four years. After these four years, there will be a decline in the number of fees as compared to the previous four years.

GENERAL TAXATION AND ADMINISTRATION:

H.F. 2507 Eliminates the penalties for failure to file returns and pay taxes timely. The bill further establishes a flat rate of penalty that differs according to the type of tax for the taxes administered by the Department of Revenue. The penalty cannot be waived. House File 2507 also changes the penalty for a false or fraudulent tobacco tax return to 50 percent of the entire tax. The bill takes effect January 1 for taxes due and payable after that date.

FISCAL EFFECT: The total fiscal effect of this bill, which effects fiscal year 1985 and beyond, cannot be determined. A reduction in penalty rates will reduce income depending upon the amount of penalty assessed. A portion of this revenue loss will be offset by the non-waiver provision. Further, the department currently processes approximately 6,000 penalty waivers per year, utilizing the time and efforts of two full-time examiners. If these examiners are shifted from waiver processing to the corporate or individual income tax audit programs, an additional \$1.0 million audit revenue would be generated which would also act to offset the decline in penalty assessments.

H.F. 2522

Relates to the disposition of unclaimed property. The bill reduces the holding period on various types of property; permits the treasurer to assess interest and penalties against persons who fail to turn over unclaimed property within the new time limits; and provides for enforcement activities by the treasurer's office.

FISCAL EFFECT: The bill is expected to result in increased revenue to the general Fund of up to \$3.0 million in FY 1985 and up to \$1.5 million annually for FY 1986 and thereafter.

INHERITANCE TAX:

S.F. 2323

Makes changes in the state inheritance tax law as follows:

- Provides that gifts made within three years of death are taxable as part of the estate, with an exclusion of \$10,000 per year for each recipient of a gift and of all gifts made for educational tuition or medical expenses (conforms with federal law);
- Changes the due date for the filing of returns and the payment of tax from the present date of nine months following the decedent's death to the last day of the ninth month after death;
- Provides that property transferred to the state or a political subdivision as payment of the tax shall be included in a decedent's gross estate;
- Requires that if the Department of Revenue has released a lien on property because it was determined that the tax has been paid in full or that no tax was owing, but subsequently determines that additional tax is owing, that the lien must be recorded if it is to have priority over all subsequent mortgages, purchases or judgement creditors;

<u>Annual Fee Increase</u> Title	Fiscal Effect	
	\$6,703,000 total increase -	
	\$6,116,488 to RUTF,	
	586,512 to counties.	
In Transit Plates	\$ 20,000 total increase -	
	\$ 19,840 to RUTF,	
	520 to counties.	
Trailer Plates	\$ 300,000 total increase -	
	\$ 292,200 to RUTF,	
	7,800 to counties.	
Duplicate Titles	\$ 300,000 total increase -	
	\$ 157,250 to RUTF,	
	27,150 to counties.	
Liens	\$ 937,341 total increase -	
	\$ 624,894 to RUTF,	
	312,447 to counties.	
Motorcycle Plates	\$ 730,000 total increase -	
	\$ 711,020 to RUTF,	
	18,980 to counties.	
Mopeds	\$ 110,000 total increase -	
	\$ 107,140 to RUTF,	
	2,860 to counties.	
Special Plates	\$ 258,360 total increase -	
	\$ 251,643 to RUTF,	
	6,717 to counties.	
Drivers License*	\$5,636,680 total increase -	
	(\$6,100,000) from the	
	general fund,	
	11,736,680 to RUTF.	
Non-Operators I.D.	\$ 74,820 total increase -	
	\$ 74,820 to RUTF.	
Odometer Title	\$ 209,469 increase to the	
	general fund.	

*Note: The increase in the Drivers License fees would only last for four years. After these four years, there will be a decline in the number of fees as compared to the previous four years.

GENERAL TAXATION AND ADMINISTRATION:

H.F. 2507 Eliminates the penalties for failure to file returns and pay taxes timely. The bill further establishes a flat rate of penalty that differs according to the type of tax for the taxes administered by the Department of Revenue. The penalty cannot be waived. House File 2507 also changes the penalty for a false or fraudulent tobacco tax return to **50** percent of the entire tax. The bill takes effect January 1 for taxes due and payable after that date.

FISCAL EFFECT: The total fiscal effect of this bill, which effects fiscal year 1985 and beyond, cannot be determined. A reduction in penalty rates will reduce income depending upon the amount of penalty assessed. A portion of this revenue loss will be offset by the non-waiver provision. Further, the department currently processes approximately 6,000 penalty waivers per year, utilizing the time and efforts of two full-time examiners. If these examiners are shifted from waiver processing to the corporate or individual income tax audit programs, an additional \$1.0 million audit revenue would be generated which would also act to offset the decline in penalty assessments.

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Makes changes in the state inheritance tax law as follows:

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- Changes the due date for the filing of returns and the payment of tax from the present date of nine months following the decedent's death to the last day of the ninth month after death;
- Provides that property transferred to the state or a political subdivision as payment of the tax shall be included in a decedent's gross estate;
- Requires that if the Department of Revenue has released a lien on property because it was determined that the tax has been paid in full or that no tax was owing, but subsequently determines that additional tax is owing, that the lien must be recorded if it is to have priority over all subsequent mortgages, purchases or judgement creditors;

S.F. 2323, cont'd.

- Provides that the changes in the inheritance tax lien mentioned above also apply to the lien for unpaid Iowa estate tax;
- Provides for a statute of limitations of a three year assessment period for property that was reported on a return (if property omitted from a return, the three year period begins when the property is reported to the department of revenue);
- Reduces the period for claiming a refund of tax from five years to three years after the tax became due or one year after the tax was paid.

The bill takes effect July 1 following enactment for taxes, penalties, and interest still owing on that date for those sections of the bill relating to the statute of limitations for making assessments and the period for claiming a refund of tax. The remainder of the bill takes effect July 1 following enactment for the estates of persons dying on or after July 1 effective date.

FISCAL EFFECT: The bill will have a negligible effect on inheritance tax receipts. Including the few large gifts made within three years of death will increase revenue, but this increase will be offset by the more numerous small gifts of less than \$10,000 which are excluded under the bill. Changing the due date of the returns to the last day of the month rather than the actual day of death will have little effect. While some interest is lost, there is no change in fiscal year effect. The interest lost due to changing the due date is more than offset by the interest gained by changing the payment of interest on inheritance tax due and refunds owing from a daily to a monthly basis. Additional savings in administrative cost will result from including gifts within three years of death in excess of the annual \$10,000 exclusion as an expected result is a reduction in the number of administrative appeals. The expense to the Department of Revenue in filing an inheritance tax lien will also be minimal.

INCOME TAXES:

S.F. 2318

Provides that interest on a claim for refund *or* an amended return resulting from the carryback of net operating losses and net capital shall begin to accrue when the claim for return *or* amended return is filed with the Department of Revenue. The bill takes effect upon publication and is applicable to claims for refund and amended returns filed thirty days after its effective date.

FISCAL EFFECT: Because the interest rate paid on refunds of taxes has been somewhat higher than the prime rate ~~or~~ some time, there has been a tendency on the part of some taxpayers to delay filing of claims to carryback net operating losses and net capital losses to accrue more interest on the refunds. By limiting the accrual of interest to the time when the claim was filed, the state matches similar federal restrictions implemented by the Tax Equity and Fiscal Responsibility Act of 1982. A specific estimate of the amount of interest that will not have to be paid on refunds cannot be determined.

S.F. 2330

DIVISION 111.
Updates the individual, fiduciary, corporate and franchise tax references to the Internal Revenue Code of 1954 up to and including January 1, 1984 to coordinate the federal and state tax laws. The updating includes the following areas of impact:

Sec. 25

Imposes the state individual income tax on the portion of social security benefits and railroad retirement benefits received by certain taxpayers that are subject to federal income tax in tax years beginning on *or* after January 1, 1984. The provision "couples" state tax laws to federal changes, subjecting social security benefits to tax. A taxpayer will have to add together his or her adjusted gross income, half of the social security benefits received, and the amount of tax-free interest (i.e. interest on municipal bonds) received. This sum is reduced by a base amount of \$32,000 for a married couple filing a joint return or \$25,000 for a single individual; the remainder is divided by two. The portion of social security benefits equal to this amount (but not more than half the benefits) will then be counted as income.

FISCAL EFFECT: The provision generates approximately \$8.0 million additional revenue to the general fund annually.

S.F. 2330 DIVISION 111, cont'd.
Sec. 31 Allows a taxpayer who claims the optional standard deduction to claim the direct charitable contributions deduction similar to that allowed under federal law. This provision is retroactive to January 1, 1984 for tax years beginning on or after that date through the 1986 tax year. The charitable deduction for standard filers is 25 percent of donations up to \$300.
FISCAL EFFECT: This provision represents an approximate \$1.0 million loss annually to the general fund for the years it is in effect.

The balance of Division III changes references to the IRC Code and makes conforming amendments to the Iowa code. This division of the bill also includes clarifying/consolidating language. There is no additional fiscal impact within this division.

S.F. 2330 DIVISION V.
Sec. 75 Imposes an additional individual income tax of two percent of taxable income in excess of \$25,000 for single taxpayers and \$40,000 for married taxpayers for the tax year beginning after December 31, 1983. Married taxpayers electing to file separate returns or filing separately on a combined return must combine their respective taxable incomes for purposes of the additional tax. If this combined income exceeds the \$25,000 or \$40,000 excess, that portion in excess shall be subject to the additional tax.

ITEM
VETO
This tax is applicable for the tax year beginning after December 31, 1983 only if the Governor finds that the estimated budget resources during the 1985 fiscal year are insufficient to pay all appropriations in full and the Governor's findings are concurred in by the Executive Council. The Governor shall make the determination not later than October 1, 1984 and the Governor shall not make any reductions in allotments as allowed under Section 8.31.

FISCAL EFFECT: If the Governor determines that the estimated budget resources during the 1985 fiscal year are insufficient to pay all appropriations in full and the Executive Council concurs, this tax change would generate approximately an additional \$16.0 million to the state general fund for fiscal 1985.

H.F. 2331 Provides for a limitation on a credit, action, or claim for refund resulting from a carryback of a net operating loss or net capital loss for years ending on or before December 31, 1978. The limitation does not apply if the Department of Revenue received a claim prior to July 1, 1984. The bill prevails over other statutes authorizing income tax refunds or claims. The bill takes effect July 1.

FISCAL EFFECT: The bill would alleviate the potential administrative burden of handling refund claims which would go as far back as tax year 1955. By restricting the time period to five years for claiming a refund as a result of a carryback of a net operating loss or net capital loss, it would treat all taxpayers alike - that is, give each taxpayer five years to claim a refund regardless of the reason and would not open up an unlimited time in which to claim a refund for net operating losses or net capital losses. Without this bill, potentially large numbers of claims for refund of taxes paid in previous years which were previously determined to be past the statute of limitations for filing of refund claims could be filed. However, a specific estimate of the amount of taxes that would have to be adjusted cannot be determined.

MOTOR FUEL AND SPECIAL FUEL TAXES:

S.F. 2069 Allows for the state, a state agency, or a political subdivision of the state to provide its own certificate of exemption to distributors and dealers of motor fuel delivering tax-exempt motor fuel into storage tanks, provided the certificate is in the form prescribed by the director of transportation. The bill also eliminates the requirement of issuing the certificate upon each delivery of motor fuel.

FISCAL EFFECT: No addition revenue effect on total revenues or expenditures. Administration costs would also remain about the same.

S.F. 2342 Defines a regional transit system to include systems which receive state or federal funds. The bill also provides a motor fuel tax exemption for vehicle registration fees for these systems. Currently, the eight publicly-owned regional transit systems have these exemptions.

FISCAL EFFECT: There would be a decrease in the RUTF of \$45,353 and a loss of \$65 to the counties.

PROPERTY TAX:

S.F. 2043 Allows a city council or county board of supervisors to provide a partial property tax exemption for new warehouses and distribution centers. The bill also provides that a city or county may enter into a contract with a person whose property is totally or partially exempt from taxation to provide specified services, such as fire and police protection. The bill further provides that a partial exemption shall not be allowed for property which is used in a different manner than that which originally qualified for the exemption.

FISCAL EFFECT: The precise fiscal effect of the bill cannot be determined at the local level. The partial property tax exemption granted to new warehouses and distribution centers would tend to shift some of the tax burden onto other classes of property.

N.F. 2326 Repeals a duplicate reporting requirement concerning the county Auditor's Annual Property Valuation and Tax Report to the Department of Revenue. This same information is presently reported to the State Comptroller under section **331.510**.

FISCAL EFFECT: Some savings in administrative costs.

H.F. 2444 Increases the dollar limit on normal and necessary repairs made to a building that shall not increase its taxable value from **\$500** to **\$2,500**.

FISCAL EFFECT: The bill has no impact upon the General Fund. An estimate of the local impact cannot be provided, but the measure would tend to reduce the growth of local property values.

H.F. 2481 Exempts areas designated as fruit tree or forest reservations under chapter 161 of the Code of Iowa from taxation beginning in the **1985** assessment year. The owner must apply for the exemption for the first year and must maintain the area in subsequent years as a fruit tree or forest reservation in order to receive the exemption. Failure to maintain an area so designated will result in the area being assessed at market value for taxation and the imposition of a recapture tax. If the area is sold, the new owner must refile for exemption.

FISCAL EFFECT: The bill does not have an impact upon state revenues and expenditures. The precise effect of the bill at the local level cannot be determined.

H.F. 2510 Amends section 386.1, subsection 7 of the Code of Iowa to include public utility property as taxable property within a self-supported municipal improvement district.

FISCAL EFFECT! The bill **has** no impact upon the General Fund. At the local level, a precise dollar impact cannot be determined.

H.F. 2516 Allows the board of directors of a school corporation to fund the removal or encapsulation of asbestos in its school buildings. The board may pay the actual cost of removal or encapsulation from (1) any funds in the general fund of the district, (2) funds received from a schoolhouse tax authorized under section 278.1, subsection 1, Code of Iowa, or (3) the tax levy certified under section 297.5, Code of Iowa. The board may also submit a proposal to the qualified electors of the district to authorize an additional tax levy to pay the actual cost of an asbestos removal or encapsulation project.

FISCAL EFFECT: The bill has no impact on the General Fund. The cost of removing the asbestos is estimated to be \$2.00 per square foot, while the cost of encapsulating the substance is estimated to be **\$0.41** per square foot. If a district chose to levy a property tax or used a combination of an enrichment property tax and a school district income surtax to pay for the project, the levy would vary with the district's taxable valuation, the square footage to be treated, and the actual cost of the project.

H.F. 2524 Increases the limit on the tax rate that may be certified by the board of directors of a school corporation to be levied on taxable property in a school district for the use of a free public library by residents of the school district from **6 3/4 cents** to 20 cents per **\$1,000** of assessed value.

FISCAL EFFECT: The bill has no impact on the General Fund. The impact of the local level is believed to be minimal because only two or three of the **439** school districts could potentially qualify to increase taxes for this purpose.

H.F. 2525 Increases the maximum levy which the trustees of a benefitted law enforcement district may certify from 27 cents per \$1,000 assessed valuation to \$1.00 per \$1,000 assessed valuation in order to provide law enforcement service and facilities.

FISCAL EFFECT: The bill creates the possibility of increased taxes for property owners living in benefitted law enforcement districts. Due to a lack of specific information however, it is not possible to determine the amount of such an increase. State revenues and expenditures would not be affected by the bill.

PROPERTY TAX CREDITS

S.F. 2156 Provides that the director of revenue shall round the tax credit or reimbursement of the extraordinary property tax credit to the nearest whole dollar in developing tax credit and reimbursement tables.

FISCAL EFFECT: None.

S.F. 2330 DIVISION VII.
Limits the amount paid from the personal property tax replacement fund for FY 1985. One-half of the amount due shall be paid to the county treasurers on May 15, 1985 and the remaining one-half of the funds payable shall be paid no later than July 1, 1985. The payment received on July 1, 1985 is an account receivable for the previous fiscal year.

ITEM VETO

FISCAL EFFECT DIVISION VII: Current law has the personal property tax credit paid in May. According to Division VII, one-half of this \$46.2 million payment (or \$23.1 million) would be deferred until no later than July 1 of fiscal 1986. This has the effect of reducing the obligation on the fiscal 1985 budget by a corresponding \$23.1 million and increasing the fiscal 1986 by a like amount.

S.F. 2365 Reduces the payment of funds from the personal property tax replacement fund. For FY '85, one-half of the amount due each taxing district shall be paid to the respective county treasurers by the Comptroller on May 15, 1985. In FY '86 and each succeeding fiscal year, the amount due shall be paid on July 15 and May 15 of the fiscal year. The July 15 payment shall equal the amount paid on May 15 of the preceding fiscal year.

FISCAL EFFECT: The bill appropriates \$46.2 million in FY '84 and \$23.1 million in FY '85 to the personal property tax replacement fund. For FY '86 and succeeding fiscal years, the total appropriation shall equal the amount paid on May 15 of the preceding fiscal year plus one-half of the amount needed to fund the additional personal property credit payable in that fiscal year. The amount paid to the taxing districts will not change as a result of the bill. Rather, the payment schedule is changed so that half of the funds owed will be paid by the Comptroller in the following fiscal year, beginning in FY '85.

H.F. 2521
Sec. 10.1 Limits the personal property tax credit for FY 1985 to that allowed for taxes payable in FY 1984.

Sec. 10.4 Eliminates benefits of sections 4278.10 through 4278.14, Code of Iowa, for property acquired or purchased on or after January 1, 1983 up to an including December 31, 1983, for taxes collectible during FY 1986.

SALES, SERVICE AND USE TAXES:

S.F. 2327 Provides that retail sales of farm tractors and farm equipment occurring between June 1, 1982 and July 1, 1984 which are partially paid in money shall be treated as having a discount taken in the amount of the nonmonetary portion of the sale. This portion is not subject to the sales, services and use tax. The bill is retroactive to June 1, 1982 and provides that claims for refunds as a result of this bill must be filed between July 1, 1984 and January 1, 1985.

FISCAL EFFECT: The total amount of allowable claims for refund shall not exceed \$75,000. If the total amount of allowable claims for refund exceeds \$15,000, the director of revenue shall prorate the \$75,000 among claimants in proportion to the total claims. Thus, a maximum of \$75,000 will be refunded from the General Fund in fiscal 1985.

- S.F. 2330
Sec. 76 DIVISION VI.
Strikes "commercial amusement enterprises" from the gross receipts tax.
FISCAL EFFECT: No change as tax currently not collected in this area.
- Sec. 77 Subjects electronic repair and installation and licensed executive search agencies to sales, use, and service tax and, within the same tax base, expands the equipment rental base to tangible personal property (including rents, royalties, and copyright and license fees).
FISCAL EFFECT: For fiscal years 1985 and beyond, this provision will generate increased revenues. The amount of the increase is not known.
- Sec. 98 Subjects beverages as defined in section 455C, subsection (bottle deposit law) to sales tax.
ITEM All changes to the sales tax area are effective VETO July 1, 1984.
FISCAL EFFECT: This provision is expected to generate an annual \$4.5 million increase in revenues starting in fiscal 1985.
- S.F. 2354 Provides that the sales of vulcanizing, recapping, and retreading services are to be treated as sales of tangible personal property. The treatment of these services as tangible personal property makes certain items used in processing eligible for the exemption for processing from the state sales, services, and use tax. The bill has the effect of removing the tax on raw materials and putting the tax on the finished product. Processing would be exempt from the tax. The bill takes effect upon publication and is retroactive to January 1, 1979.
FISCAL EFFECT: Where there would be some annual revenue loss due to the provisions of this bill, an exact estimate of this loss is not possible.
- H.F. 2503 Provides that the sales of engraving, photography, retouching, printing, and binding services are to be treated as sales of tangible personal property. The bill is a clarification of S.F. 314 passed during the 1983 session which provided that certain items used in processing engraving, photography, retouching, printing, and binding services are eligible for the exemption for processing from the state sales, services, road use tax.
FISCAL EFFECT: None.

BLOCK GRANT BILL SUMMARY

BLOCK GRANTS

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH SERVICES BLOCK GRANT

S.F. 2352

Sec. 1.1 Appropriates \$2,292,000 to the Iowa Department of Substance Abuse to be spent in accordance with Public Law 97-35, Title IX, Subtitle A of the Alcohol, Drug Abuse and Mental Health Services Block Grant.

Sec. 1.2 Limits the amount of funds the Department of Substance Abuse may spend on administration of the block grant to \$217,000 and requires that audit costs be included.

Sec. 1.3 Transfers 8.75 percent of the funds appropriated (\$200,550) to the Division of Mental Health, Mental Retardation, and Developmental Disabilities within the Department of Human Services For community mental health centers,

Sec. 1.4 Sets forth the proportions to be used in allocating funds to the programs within the block grant as follows:

Drug abuse programs	38.98%
Alcohol abuse programs	38.89%
Prevention programs	22.22%

COMMUNITY DEVELOPMENT BLOCK GRANT

S.F. 2352

Sec. 6.1 Appropriates \$24,775,000 to the Office for Planning and Programming for the federal fiscal year beginning October 1, 1984 and ending September 30, 1985. The funds appropriated are the anticipated funds to be received from the federal government for the Community Development Block Grant.

Sec. 6.2 Provides that an amount not exceeding \$991,000 shall be used by the Office for Planning and Programming for administrative expenses. The total amount used for these expenses includes \$495,500 of funds appropriated in subsection 6.1 and a matching contribution from the State General Fund of \$495,500. Total administrative expenses from both federal and state sources shall not exceed 4 percent of the amount appropriated.

COMMUNITY SERVICES BLOCK GRANT

S.F. 2352

Sec. 5.1a Appropriates 53,623,071 to the Office for Planning and Programming for the federal fiscal year beginning October 1, 1984 and ending September 30, 1985. The funds appropriated are the anticipated funds to be received from the federal government for the Community Services Block Grant. The Office for Planning and Programming is required to expend the appropriated funds.

Sec. 5.1b Provides that not less than 90 percent of the amount of the block grant will be distributed based upon the size of the poverty level population in the state. An amount not exceeding 5 percent of the amount of the grant will be distributed based upon other measures of need in each community action area.

Sec. 5.2 Appropriates an amount not exceeding \$181,153 of the funds appropriated in subsection 5.1 for administrative expenses of the Office for Planning and Programming.

EDUCATION BLOCK GRANT

S.F. 2352

Sec. 7.1 Appropriates to the Department of Public Instruction whatever funds are received from Public Law 97-34, up to \$5,400,000.

Sec. 7.2 Allocates 20 percent of the funds appropriated not to exceed \$1,080,000 to the Department of Public Instruction to be used for basic skills development, state leadership and support services, educational improvement and support services, special projects and state administrative expenses and auditing. State administrative expenses of the Department are limited to \$225,000. If the total funds received under the block grant exceed \$5,400,000, then 20 percent of the excess will be held in a special fund awaiting further legislative action (Sec. 13.2).

Sec. 7.3 Allocates 80 percent of the funds received to local education agencies according to the following percentages and enrollments:

- 75 percent on enrollment of public and approved non-public schools;
- 20 percent on disadvantaged students in school whose incidence of disadvantages students is above average; and

- 5 percent on the number of limited English speaking students whose language imposes a barrier to learning.

If the total funds received from the block grant exceed \$5,400,000, then 80 percent of the excess is allocated to the local education agencies based on the above formula (Sec. 13.1).

Sec. 8 Requires that funds appropriated in Section 7 not be used to aid schools or programs that illegally discriminate in employment or educational programs on the basis of sex, race, color, national origin, or disability.

LOW-INCOME HOME ENERGY ASSISTANCE

S.F. 2352

Sec. 9.1 Appropriates from the fund created by section 8.41 to the Energy Policy Council \$36,719,800 for the federal fiscal year beginning October 1, 1984 and ending September 30, 1985.

Sec. 9.2 Authorizes \$2,892,000 or 9 percent of the funds appropriated from subsection 1, whichever is less, to be used for administrative expenses. Not more than \$290,000 of this may be used for administrative expenses of the Energy Policy Council. This amount is to include the cost of an audit.

Sec. 9.3 Allocates the remaining funds to help eligible households to meet the costs of home energy. After an allowance of not more than \$1 million for the carry forward, at least 10 percent and not more than 15 percent of the funds are required to be allocated for Low-Income Residential Weatherization.

Sec. 13.3 Requires at least 12 1/2 percent and not more than 15 percent of the block grant fund received that exceed the amounts appropriated in Section 9 (Low-Income Home Energy Assistance Appropriation) of the Act, to be allocated to the Low-Income Weatherization program.

Sec. 17 Amends 1983 Iowa Acts to allow an additional \$38,000 for administration of Low-Income Energy Assistance Block Grants during FY 1984.

MATERNAL AND CHILD HEALTH BLOCK GRANT

S.F. 2352

Sec. 2.1 Appropriates \$4,558,176 to the Department of Health to be spent in accordance with Public Law 97-35.

Sec. 2.2 Sets forth the proportions to be used in allocating funds to the programs within the block grant, as follows:

Maternal and child health programs: 63 percent (of these funds, \$45,772 is to be used for sudden infant death counseling, \$25,000 for a lead poisoning prevention program, and \$199,048, for the statewide perinatal care program.) Regional and Mobile Child Health Specialty Clinics at the University of Iowa hospitals and clinics: 37 percent is allocated from the funds appropriated in Section 2.1.

Sec. 2.3 Limits the amount of funds the Department of Health may spend on the administration of the block grant to \$122,030 and requires that audit costs be included in this total. There is intent language that the Departments of Health, Human Services, and Public Instruction and the University of Iowa's Regional and Mobile Child Health Specialty Clinics continue the integration and coordination projects of these four agencies.

Sec. 16 Amends last year's block grant bill which appropriates the Emergency Jobs bill supplemental appropriation to the FY '83 Maternal and Child Health Block Grant. It allows the Health Department to transfer any of its remaining funds to the Mobile and Regional Child Health Specialty Clinics of the University of Iowa hospitals and Clinics on August 1, 1984.

Transfer of Funds

Sec. 3 Provides that funds transferred from the Prevention Health and Health Services Block Grant to the Maternal and Child Health Block Grant shall be transferred to the Division of Personal and Family Health and to mobile and regional child health specialty clinics according to the percentages specified in section 2.2 of this bill.

PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT

F.F. 2352

- Sec. 4.1 Appropriates \$1,025,160 to the Department of Health to be expended in accordance with Public Law 97-35.
- Sec. 4.2 Limits the amount of funds that the Department may expend on administration of the block grant to 598,717 and requires that audit costs be included.
- Sec. 4.3 Requires that funds specifically designated by the federal government for rape prevention must be spent on that program.
- Sec. 4.4 Specifies that 7 percent of the funds appropriated in Section 4.1 are transferred to the Maternal and Child Health Services Block Grant to be used in accordance with Section 2.2 of this bill.
- Sec. 4.5 Sets forth the proportions to be used in allocating funds to programs within the block grant, as follows:

Hypertension grants	15.2%
Risk reduction services	21.0%
Health incentive grants	17.9%
Emergency medical services	30.0%
Fluoridation grants	15.9%

SOCIAL SERVICES BLOCK GRANT

S.F. 2352

- Sec. 10.1 Appropriates \$33,944,491 which are the funds anticipated to be received from the federal government for the federal fiscal year beginning October 1, 1984 and ending September 30, 1985.
- Sec. 10.2 Allocates \$1,942,708 for general administration. Requires the Department, from funds allocated in this subsection, to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1.
- Sec. 10.3 Allocates the balance of fund in subsection 1 as follows:

Field Operations	\$ 13,563,326
Home-based Services	155,791
Foster Care	4,935,799
Protective Day Care	790,479
Purchase of Local Service	11,189,103
County Administration	1,232,321
Volunteers	134,964
Total	\$ 32,001,783

- Sec. 10.4 Continues to recognize the Title XX State Advisory Committee, now the Social Services Block Grant State Advisory Committee, as an advisory committee to the Department regarding block grant funding policy.
- Sec. 13.4 Requires excess Social Services Block Grant funds to be allocated for the purchase of local services and that the local match may be waived.

Social Services Block Grant Plan

- Sec. 11 Requires the Department to develop a plan for the use of federal Social Services block grant funds for the fiscal year beginning July 1, 1985 and ending June 30, 1986. The plan shall be submitted with the Department budget request.

GENERAL PROVISIONS

Procedures for Reduced Federal Funds

- Sec. 12.1 Requires the Governor to prorate the funds received to the various programs on the same percentage basis as specified in the Act other than for the rape prevention program under section 4, subsection 3 (Preventive Health and Health Services Block Grant) if funding from the federal block grants is less than the amounts appropriated. This does not apply to section 7 (Education Block Grant).

However, if the Governor determines that the funds allocated will not be sufficient, the Governor may allocate the funds in a manner which will effect to the greatest extent possible the purposes of the various programs for which the block grants are available.

- Sec. 12.2a Requires the Governor, prior to implementing the actions under subsection 1, to notify the chairpersons and ranking members of the Senate and House Appropriations Committees, the Legislative Fiscal Bureau, and the chairpersons and ranking members of the affected appropriations subcommittees.
- Sec. 12.2b Requires the notice to include the proposed allocations, and justification of the percentages or amounts allocated to the individual programs.

Procedures For Increased Federal Funds

Sec. 13.1 Requires funds received from block grants, that exceed the amounts appropriated in sections 2 (Maternal and Child Health Block Grant), 4 (Preventive Health and Health Services Block Grant), and 7, subsection 3 (Education Block Grant), of this Act, to be prorated to the programs according to the percentages specified in those sections.

Sec. 13.2 Requires funds received from block grants that exceed the amounts appropriated in sections 1 (Alcohol, Drug Abuse and Mental Health), 5 (Community Services Block Grant), 6 (Community Development Block Grant), and section 7, subsection 2 (Education Block Grant) of this Act, to be deposited in the special fund created in section 8.41. Fund is subject to appropriation by the General Assembly.

Procedure for Consolidated, Categorical, or Expanded Federal Block Grants

Sec. 14 Requires federal funding formerly received as categorical grants and consolidated into block grants, or block grants expanded to include programs formerly funded by categorical grants, to be appropriated for the programs formerly funded by the categorical grants, subject to the conditions outlined in Section 14.

Procedure for Future Federal Actions

Srr. 15.1 Requires the Governor to modify the procedure contained in sections 12 and 13 as allowed under federal law in order that a consistent plan will be available for the effected state fiscal years if federal block grant funding is increased or decreased for the fiscal year following the year for which the block grants are appropriated.

Sec. 15.2a Requires the Governor to notify the chairpersons and ranking members of the Senate and House appropriations committees, chairpersons and ranking members of the affected appropriations subcommittees and the Legislative Fiscal Bureau,

Sec. 15.2b Requires the notice to include the allocations, explanation of the amounts and programs funded and the departments affected.

ENROLLED BILLS

HOUSE FILE 406

AN ACT

RELATING TO THE ISSUING OF LICENSES AND PERMITS FOR THE PURPOSE OF TAKING WILD MAMMALS, FISH, BIRDS, AMPHIBIANS, AND REPTILES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 109.38, subsection 2, Code 1983, is amended to read as follows:

2. If following an investigation the commission finds that the number of hunters licensed to take deer or wild turkey should be limited or further regulated, the commission shall conduct a drawing to determine which applicants shall receive a license. Applications for licenses shall be received and accepted during a thirty-day forty-five day period established by the commission. At the end of such period the drawing shall be conducted. If the quota has not been filled, licenses shall then be issued in the order in which such applications are received and shall continue to be issued until such quota has been met or until a date fifteen days prior to the opening day of the season, whichever first occurs. If an applicant receives a deer license which is more restrictive than licenses issued to others for the same period and place, the applicant shall receive a certificate with his or her license entitling the applicant to priority in the drawing for the less restrictive deer licenses the following year. The certificate must accompany that person's application the following year, or the applicant will not receive this priority. Persons purchasing a deer license for the gun season as provided under this section and under section 110.1 shall not be eligible for a deer-hunting license

under the provisions of section 110.24. This subsection shall not apply to the hunting of wild turkey on game breeding and shooting preserves licensed under chapter 110A.

Sec. 2. Section 110.1, subsections 1 through 4, Code 1983, are amended to read as follows:

- 1. Fishing licenses:
 - a. Legal residents except as otherwise provided ... \$ ~~6.00~~ 8.50
 - ~~b. Legal residents permanently disabled or sixty-five years of age or older ... \$ 1.25~~
 - b. Lifetime license for legal residents permanently disabled or sixty-five years of age or older \$ ~~6.00~~ 8.50
 - c. Nonresident license \$ ~~12.00~~ 15.50
 - d. Three-day license for resident ~~ex-non-resident~~ \$ ~~3.00~~ 4.50
 - e. Three-day license for nonresident \$ 5.50
 - f. ~~Special-trout-license~~ Trout stamp \$ ~~5.00~~ 8.00
- 2. Hunting licenses:
 - a. Legal residents except as otherwise provided ... \$ ~~6.88~~ 8.50
 - ~~b. Legal residents permanently disabled or sixty-five years of age or older ... \$ 1.25~~
 - ~~c. Lifetime license for legal residents permanently disabled or sixty-five years of age or older ... \$ 6.00~~
 - d. Deer hunting license for residents \$ ~~15.00~~ 20.00
 - e. Wild turkey hunting license for residents \$ ~~15.00~~ 20.00
 - f. Nonresidents hunting license \$ 35-88 47.50
 - ~~g. Nonresidents-raccoon-stamp-and-tags ... \$ 100.00~~

~~h. Nonresidents pheasant stamp~~ \$ ~~5.00~~

3. Hunting and fishing combined licenses:

a. Legal residents except as otherwise provided ... \$ ~~11.00~~
15.50

~~b. Legal residents permanently disabled or
sixty-five years of age or older~~ \$ ~~2.50~~

e b. Lifetime license for residents permanently dis-
abled or sixty-five years of age or older \$ ~~8.00~~
15.50

4. Trapping Fur harvesters, dealers and
game breeders licenses:

a. ~~Trapping Fur harvester~~ license for
legal residents sixteen years of age or older \$ ~~10.00~~
15.50

b. Trapping Fur harvester license for legal
residents under sixteen years of age \$ ~~1.00~~
2.50

c. Trapping Fur harvester license
for nonresidents \$ ~~100.00~~
150.50

d. Fur dealers license for residents \$ ~~150.00~~
200.00

e. Fur dealers license for nonresidents \$ ~~300.00~~
400.00

f. Game breeder's license \$ 10.00

Sec. 3. Section 110.3, Code 1983, is amended to read as
follows:

110.3 WILDLIFE HABITAT STAMP. A resident or nonresident
person required to have a hunting or ~~trapping~~ fur harvester
license shall not hunt or trap unless he or she has on his
or her person a valid wildlife habitat stamp signed in ink
with his or her signature across the face of the stamp. This
section shall not apply to residents who are permanently
disabled or who are younger than sixteen or older than sixty-
five years of age. Special wildlife habitat stamps shall

be administered in the same manner as hunting and ~~trapping~~
fur harvester licenses except all revenue derived from the
sale of the wildlife habitat stamps shall be used within the
state of Iowa for habitat development and shall be deposited
in the state fish and game protection fund. The revenue may
be used for the matching of federal funds. The revenues and
any matched federal funds shall be used for acquisition of
land, leasing of land or obtaining of easements from willing
sellers for use as wildlife habitats. Notwithstanding the
exemption provided by section 427.1, any land acquired with
the revenues and matched federal funds shall be subject to
the full consolidated levy of property taxes which shall be
paid from those revenues. In addition such revenue may be
used **for** the development and enhancement of wildlife lands
and habitat areas. Not less than fifty percent of all revenue
from the sale of wildlife habitat stamps shall be used by
the commission to enter into agreements with county
conservation boards or other public agencies in order to carry
out the purposes of this section. The state share of funding
of those agreements provided by the revenue from the sale
of wildlife habitat stamps shall not exceed seventy-five
percent.

Sec. 4. Section 110.4, Code 1983, is amended to read as
follows:

110.4 PERMANENTLY DISABLED DEFINED. For the purpose of
obtaining a license, a person is permanently disabled if ~~that~~
any of the following apply:

1. The person has been found under the provisions of the
federal Social Security Act, title 11, or any other public
or private pension system to have a total, permanent physical
or mental condition which prevents that person from engaging
in his or her occupation or qualifies that person for
retirement.

2. The person is physically severely handicapped and has
qualified for a special license under section 110.24.

Sec. 5. Section 110.10, Code 1983, is amended to read as follows:

110.10 ISSUANCE OF LICENSE. All licenses other than hunting, fishing, and ~~trapping~~ fur harvester licenses, shall be issued by the director upon application to the departmental office at Des Moines. Hunting, fishing, and ~~trapping~~ fur harvester licenses shall be issued by the recorder of each county. The licenses shall show the cost of the license and issuing fee.

Sec. 6. Section 110.11, Code 1983, is amended to read as follows:

110.11 DEPOSITARIES--BOND. The county recorder may designate various depositaries for the sale of such licenses other than the office of the county recorder. The director may designate depositaries other than those designated by the recorders of the various counties but in so doing the interest of the state shall be fully protected either by a sufficient cash deposit or a satisfactory bond. ~~Depositaries designated by the county recorder or the director may have the privilege of charging an additional twenty-five cents for each license to be retained for the service rendered in issuing the license.~~

Sec. 7. Section 110.12, unnumbered paragraph 2, Code Supplement 1983, is amended by striking the paragraph and inserting in lieu thereof the following:

Depositaries designated by the county recorder or the director shall retain twenty-five cents from the sale of each license for the service rendered in issuing the license. The county recorder shall retain a writing fee of fifty cents from the sale of each license sold by the county recorder's office and a writing fee of twenty-five cents from the sale of each license sold by a depositary designated by the county recorder. The writing fees retained by the county recorder shall be deposited in the general fund of the county. A depositary and county recorder shall not retain any amount

from the sale of trout stamps, habitat stamps, and waterfowl stamps.

Sec. 8. Section 110.17, Code 1983, is amended to read as follows:

110.17 TENURE OF LICENSE. Every license, except lifetime hunting and fishing licenses and falconry licenses, shall ~~expire on December 31 following its issuance~~ be valid from the date issued to January 10 of the succeeding calendar year for which it is issued. A license shall not be issued prior to December 15 for the subsequent calendar year.

Sec. 9. Section 110.18, Code 1983, is amended to read as follows:

110.18 FORM OF LICENSE. All hunting, fishing, and ~~trapping~~ fur harvester licenses shall contain a general description of the licensee. Such licenses shall be upon such forms as the commission shall adopt. The address and the signature of the applicant and all signatures and other writing shall be in ink. All licenses shall clearly indicate the nature of the privilege granted.

Sec. 10. Section 110.24, unnumbered paragraphs 2, 3, 4, 5, and 6, Code Supplement 1983, are amended to read as follows:

Upon written application to the state conservation commission, one of the following persons shall be issued a deer or a wild turkey hunting license:

1. The owner of a farm unit; or
2. One member of the family of the farm owner; or
3. The tenant residing on the farm unit; or
4. One member of the family of the tenant, who resides on the farm unit.

The deer or wild turkey hunting permit shall be valid only for hunting on the farm unit upon which the licensee to whom it is issued resides.

The application required herein for the deer or wild turkey hunting license shall be on forms furnished by the conservation commission and shall be without fee.

Deer or wild turkey hunting licenses issued under this section shall be subject to all other provisions of the laws and regulations pertaining to the taking of deer and wild turkey.

Ne A resident of the state under sixteen years of age or a nonresident of the state under fourteen years of age shall be is not required to have a license to fish in the waters of the state. However, residents under sixteen years of age and notiresidents under fourteen Years of age must possess a valid trout stamp to possess trout or they must fish for trout with a licensed adult who possesses a valid trout stamp and limit their combined catch to the daily limit established by the commission.

Sec. 11. Section 110.26, code 1983, is mended to read as follows:

110.26 NONRESIDENT MAKING FALSE CLAIM. A nonresident shall not obtain a resident license by falsely claiming residency in the state. The presumptions and provisions of section 321.1A, Code Supplement 1983, relating to residency shall apply to licenses under this chapter. The use of a license by a person other than the person to whom the license is issued is unlawful and shall nullify the license. A resident or nonresident who violates this section is guilty of a simple misdemeanor.

Sec. 12. Chapter 110, Code 1983. is amended by adding the following new section:

NEW SECTION. FUR HARVESTER LICENSE. A fur harvester license is required to hunt all furbearers, except coyote and groundhog and to trap any fur-bearing animal. A hunting license is not required when hunting furbearers. except coyote and groundhog, with a fur harvester's license.

Sec. 13. A trapping license valid on the effective date of this Act shall remain valid until it expires under the provisions of the 1983 Code.

Sec. 14. This Act takes effect December 15 following enactment,

Sec. 15. Sections 110.7, and 110.38, Code 1983, are repealed.

DONALD D. AVENSON
Speaker of the House

CHARLES P. MILLER
President Pro Tempore of the
Senate

I hereby certify that this bill originated in the House and is known as House File 406, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1904

TERRY E. BRANSTAD
Governor

HOUSE FILE 2274

AN ACT

RELATING TO THE DESIGNATION OF MONEYS TO BE PAID TO THE STATE FISH AND GAME PROTECTION FUND BY A TAXPAYER ON AN INCOME TAX RETURN.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 56.18, subsection 3, unnumbered paragraph 3, Code Supplement 1983, is amended to read as follows:

However, before a checkoff pursuant to subsection 2 of ~~the section~~ shall be permitted, all liabilities on the books of the department of revenue, and accounts identified as owing under section 421.17 ~~and the checkoff permitted under section 107.16~~ shall be satisfied.

Sec. 2. Section 107.16, unnumbered paragraphs 1 and 7, Code 1383, is amended to read as follows:

A person who files an individual or a joint income tax return with the department of revenue under section 422.13 may designate any amount ~~of a refund due on the return~~ to be paid to the state fish and game protection fund. ~~The amount designated shall not exceed the amount of refund due on the return.~~ If the refund due on the return or the payment remitted with the return is insufficient to pay the additional amount designated by the taxpayer to the state fish and game protection fund, the amount designated shall be reduced to the remaining amount of refund or the remaining amount remitted with the return.

The department shall adopt rules to implement this section. However, before a checkoff pursuant to this section shall be permitted, all liabilities on the books of the department of revenue and accounts identified as owing under section ~~421.17, subsection 21, paragraph "b", and the political~~ contribution allowed under section 56.18 shall be satisfied.

Sec. 3. This Act is retroactive to January 1, 1984, for the tax years beginning on or after that date.

DONALD D. AVENSON
Speaker of the House

CHARLES P. MILLER
President Pro Tempore of the Senate

I hereby certify that this bill originated in the House and is known as House File 2274, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

HC 2274

HOUSE FILE 2295

AN ACT

RELATING TO LOTTERIES BY PROVIDING FOR A STATE LOTTERY, A STATE LOTTERY BOARD AND AN AGENCY TO OVERSEE LOTTERY OPERATIONS, A STATE LOTTERY FUND FOR THE DEPOSIT OF RECEIPTS AND FOR THE PAYMENT OF PRIZES AND EXPENSES, LICENSING OF LOTTERY TICKET SALES AGENTS, ADMINISTRATIVE PROCEDURES NECESSARY IN CARRYING OUT THE INTENT OF THE ACT, MAKING CERTAIN ACTS ILLEGAL, PROVIDING A PENALTY, PROVIDING THAT REVENUE GENERATED SHALL BE DISTRIBUTED TO THE GENERAL FUND FOR ECONOMIC DEVELOPMENT INITIATIVES OF A NONRECURRING NATURE, CREATING AN ECONOMIC DEVELOPMENT INITIATIVES ADVISORY BOARD, PROVIDING FOR REPEAL OF THE ACT, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 99E.1 TITLE. This chapter may be cited as the "Iowa Lottery Act".

Sec. 2. NEW SECTION. 993.2 DEFINITIONS. As used in this chapter, unless the context otherwise requires:

1. "Commissioner" means the commissioner of the lottery.
2. "Director" means the director of each of the three divisions of the lottery operating under the commissioner.
3. "Lottery" means the lottery created and operated under this chapter.
4. "Board" means the Iowa lottery board.
5. "Licensee" means the person issued a license by the commissioner to sell lottery tickets or shares. The licensee

is responsible for the licensee's employees' conduct which is within the scope of this chapter.

Sec. 3. NEW SECTION. 99E.3 ESTABLISHMENT OF LOTTERY--APPOINTMENT OF COMMISSIONER--OTHER EMPLOYEES.

1. A state agency is established to be known as the Iowa lottery agency. The Iowa lottery agency is subject to chapter 17A. It is a separate agency of state government whose head is the commissioner.

2. The commissioner shall be qualified by training and experience to direct the lottery. The commissioner shall be appointed by the governor within thirty days after the effective date of this Act subject to confirmation by the senate, and shall serve at the pleasure of the governor. A vacancy occurring in the office of the commissioner shall be filled in the same manner as the original appointment. The provisions of section 2.32 apply to the appointment of the commissioner. The commissioner shall devote time and attention solely to the duties of the office and shall not be engaged in any other profession or occupation. The commissioner shall receive a salary determined by the governor within salary range five as set by the general assembly.

3. The commissioner may employ clerks, stenographers, inspectors, agents, and other employees pursuant to chapter 19A as necessary to carry out this chapter.

Sec. 4. NEW SECTION. 993.4 COMMISSIONER'S OATH--BOND--EMPLOYEES--BONDING OF EMPLOYEES.

1. Before taking office, the commissioner shall take an oath to faithfully execute the duties of the office according to the laws of the state, and shall give bond with sufficient surety to be approved by the governor in the sum of not less than twenty-five thousand dollars, conditioned upon faithful execution and performance of the duties of the office. The bond when fully executed and approved shall be filed in the office of the secretary of state. When in the governor's opinion the bond has become or is likely to become invalid

or insufficient, the governor shall require the commissioner to renew the bond in an amount approved by the governor but not less than twenty-five thousand dollars. The cost of a bond given shall be part of the necessary expenses of the lottery.

2. The commissioner shall employ personnel necessary to implement this chapter. All personnel shall be fingerprinted. Notwithstanding a statutory provision to the contrary, employees in the security and licensing division may be required to take a polygraph examination whenever probable cause is established.

3. The commissioner shall require lottery employees to give bond in an amount the commissioner determines. Each bond when fully executed and approved shall be filed in the office of the secretary of state. The cost of each bond given shall be part of the necessary expenses of the lottery.

Sec. 5. NEW SECTION. 99E.5 **LOTTERY BOARD.**

1. There is created an Iowa lottery board to consist of five members, not more than three of whom shall be from the same political party, and who shall be appointed by the governor subject to confirmation by the senate. A vacancy on the commission shall be filled in the same manner as regular appointments are made and the term shall be for the unexpired portion of the regular term.

Sec. 6. NEW SECTION. 99E.6 **BOARD QUALIFICATIONS—CONFLICT OF INTEREST.**

1. Board members shall be residents of this state. At least one member of the board shall be a person who has been a law enforcement officer for not less than five years, one member shall be an attorney admitted to the practice of law in Iowa for not less than five years, and one member shall be a certified public accountant who has practiced accountancy in Iowa for at least five years.

2. A person shall not serve as a member of the board who directly or indirectly, individually, or as a member of a

partnership, or as a shareholder of a corporation has an interest in dealing in a lottery or in the ownership or leasing of property used by or for a lottery. A member of the board who accepts employment or acquires stock, bonds or other interest in a company, partnership, or corporation doing business with a lottery shall be disqualified from remaining a member of the board.

Sec. 7. NEW SECTION. 99E.7 **BOARD MEETINGS.** The board shall hold at least one meeting each month and as often as necessary. The board shall select a chairperson from its membership at the first regular meeting of the board and shall thereafter select a chairperson at the first regular meeting of each fiscal year. Written notice of the time and place of each meeting shall be given to each member of the board. A majority of the board constitutes a quorum.

Sec. 8. NEW SECTION. 99E.8 **EXPENSES—SALARY.** Members of the board shall be compensated at a rate of forty dollars per diem while on official business of the board. Members shall also be allowed the actual and necessary expenses incurred in the performance of their duties. The expenses incurred by members of the board and the salaries paid to members of the board are part of the necessary expenses of the lottery.

Sec. 9. NEW SECTION. 99E.9 **DUTIES OF THE BOARD—COMMISSIONER.**

1. Subject to the approval of the board, the commissioner shall initiate and operate a lottery at the earliest possible time. The board and the commissioner shall supervise the lottery in order to produce the maximum amount of net revenues for the state in a manner which maintains the dignity of the state and the general welfare of the people.

2. Subject to the approval of the board, the commissioner may enter into contracts for the operation and marketing of the lottery, including contracts with individuals or business organizations experienced in the design and operation

of state administered lotteries of other states. A contract awarded or entered into by the commissioner shall not be assigned by the contract holder except upon the written approval of the board.

3. The commissioner shall make rules which are subject to the approval of the board and in accordance with chapter 17A for implementing and preventing violations of this chapter. The rules shall include but are not limited to the following subject matters:

a. The fees charged for a license to sell lottery tickets or shares. The commissioner shall determine the cost incurred in processing applications for a license and set the license fee to cover that cost except a license fee shall not be less than fifty dollars per year. Revenue received by the lottery from license fees shall be transferred to the lottery fund immediately after the cost of processing license applications is deducted.

b. The types of lottery games to be conducted. Video lottery games shall be prohibited. In any other type of game utilizing instant tickets or other tangible evidence of participation, each ticket in the game shall bear a unique consecutive serial number distinguishing it from every other ticket in the game, and each lottery number or symbol shall be accompanied by a confirming caption consisting of a repetition of a symbol or a description of the symbol in words.

c. The price of tickets or shares in the lottery, including but not limited to authorization of sales of tickets or shares at a discount for marketing purposes.

d. The number and size of the prizes on the winning tickets or shares, including but not limited to prizes of free tickets in lottery games conducted by the lottery and merchandise prizes. The lottery shall maintain and make available for public inspection at its offices during regular business hours a detailed listing of the estimated number of prizes of each particular denomination that are expected to be awarded in

any game that is on sale and, after the end of the claim period, shall maintain and make available a listing of the total number of tickets or shares sold in a game and the number of prizes of each denomination which were awarded.

e. The method of selecting the winning tickets and the manner of payment of prizes to the holders of winning tickets. The rules may provide for payment by the purchase of annuities in the case of prizes payable in installments. Lottery employees shall examine claims and shall not pay any prize for altered, stolen, or counterfeit tickets nor tickets which fail to meet validation rules established for a lottery game. A prize shall not be paid more than once. If the commissioner determines that more than one person is entitled to a prize, the sole remedy of the claimants is to receive an equal share in the single prize. The rules may provide for payment of prizes up to five hundred dollars directly by the licensee.

f. The frequency of selection of winning tickets. Drawings shall be held in public, and the actual selection of winning tickets shall not be performed by an employee of the lottery. Drawings shall be witnessed by an independent certified public accountant. Equipment used to select winning prizes or participants for prizes shall be examined prior to and after each public drawing by lottery employees and an independent certified public accountant.

g. Requirements for eligibility for participation in runoff drawings, including but not limited to requirements for submission of evidence of eligibility.

h. The locations at which tickets may be sold. Tickets shall not be sold in establishments that serve alcoholic beverages.

i. The method to be used in printing and selling tickets. An elected official's name shall not be printed on the tickets. The overall estimated odds of winning a prize in a given game shall be printed on each ticket.

j. The issuing of licenses to sell tickets or shares. In addition to any rules made regarding the qualifications of an applicant for a license, a person shall not be issued a license if one or more of the following applies:

- (1) The person is under the age of eighteen.
- (2) The person has been convicted of fraud or a felony.
- (3) The person has not been a licensee and has been convicted or found to have committed a violation of this chapter.
- (4) The person has previously been issued a license under this chapter and the license was revoked.

k. The compensation to be paid licensees including but not limited to provision for variable compensation based on sales volume or incentive considerations.

1. The form and type of marketing, informational and educational material to be permitted. The form and type of material permitted by the Iowa lottery agency shall be constructed and distributed in a manner which is primarily educational and informational in nature. Marketing materials shall be limited in nature to marketing the concept of investing in Iowa through the lottery or showing economic development initiatives in the state that have been funded from lottery revenue. The material shall not promote the notion that a lottery winner will obtain sudden wealth. The rules adopted under this paragraph shall be designed to protect the welfare of the people and the dignity of the state. Educational and marketing material shall not be designed or distributed in a manner which attempts to entice persons to participate in a lottery game.

m. Subject to section 99E.10, the apportionment of the annual revenues accruing from the sale of lottery tickets and from other sources for the payment of prizes to the holders of winning tickets and for the following:

- (1) The payment of costs incurred in the operation and administration of the lottery, including the expenses of the

lottery and the cost resulting from contracts entered into for consulting or operational services, or for marketing.

(2) Independent audits which shall be performed annually in addition to the audits required by section 99E.20, subsection 3.

(3) Incentive programs for lottery licensees and lottery employees.

(4) Payment of compensation to licensees necessary to provide for the adequate availability of tickets or services to prospective buyers and for the convenience of the public.

(5) The purchase or lease of lottery equipment, tickets, and materials.

n. Requirements that the odds of winning each lottery prize shall be prominently displayed in all marketing, educational and informational material associated with each lottery game.

Sec. 10. NEW SECTION. 99E.10 ALLOCATION OF FUNDS GENERATED--ADVISORY BOARD CREATED.

1. As nearly as is practicable, forty-five percent of the annual revenue computed on a year-round average basis for each type of lottery game accruing from the sale of tickets is appropriated for payment of prizes to the holders of winning tickets. The prizes shall not be paid out in a particular lottery game in excess of the total revenues from sales of that game. After the payment of prizes, the expenses of conducting the lottery shall be determined. Lottery agency expenses for marketing, educational and informational material shall not exceed four percent of the lottery revenue. Revenue remaining after expenses are determined shall be transferred to the general fund on a quarterly basis. Prior to the quarterly transfer to the general fund, the commissioner may direct that lottery revenue be deposited in interest bearing accounts designated by the treasurer of state in the financial institution of this state. Interest paid on the deposits is considered lottery revenue and shall be transferred to the general fund in the same manner as other lottery revenue.

2. Funds transferred to the general fund shall be used for economic development initiatives of a nonrecurring nature. There is created an economic development initiatives advisory board. The board shall consist of seven members. Two members shall be members of the house of representatives, one from each political party, and shall be appointed by the speaker of the house of representatives. Two members shall be members of the senate, one from each political party, and shall be appointed by the president of the senate, in consultation with the senate majority leader. Three members shall represent the general public who are interested in economic development and shall be appointed by the governor. No more than two members appointed by the governor shall be members of the same political party. The board shall work with the jobs commission created pursuant to 1983 Iowa Acts, chapter 207, and the Iowa development commission, to recommend to the general assembly economic development initiatives to be funded by funds allocated by this subsection. As used in this subsection "economic development initiatives" means initiatives which encourage development of capital, research and development of new products, and development of jobs in this state by expanding existing business and industry, upgrading academic institutions in order to maintain and attract business and industry, creating new businesses and industries, encourage the conservation of energy in order to create new jobs and attract new business and industry, developing alternate methods for the disposal of solid waste, development of markets for products grown or produced or manufactured in the state, including promotion of Iowa and Iowa products, and make grants and loans available to local communities for local economic development initiatives. "Economic development initiatives" does not include providing loans, grants, bonds, or any other incentive or assistance for the construction of a racetrack or other facility where gambling will be permitted. Also "economic development initiatives" does not include tax

abatements, tax credits, tax exemptions, or similar tax incentives to any person.

3. Funds equal to any initial appropriation from the general fund to the lottery shall be returned to the general fund from the receipts of the sale of tickets not later than July 1, 1985. The comptroller shall not include lottery revenues in the comptroller's fiscal year estimates.

Sec. 11. NEW SECTION. 99E.11 REPORTS.

1. The commissioner shall report quarterly to the governor, the treasurer of state, and the general assembly. The quarterly report shall include the total lottery revenue, prize disbursements, and other expenses for the preceding quarter. The fourth quarter report shall be included in the annual report made pursuant to subsection 2.

2. The commissioner also shall report annually to the governor, the treasurer of state, and the general assembly. The annual report shall include a complete statement of lottery revenues, prize disbursements, and other expenses, and recommendations for changes in the law which the commissioner deems necessary or desirable. The annual report shall be submitted within ninety days after the close of a fiscal year.

3. The commissioner shall report immediately to the governor, the treasurer of state, and the general assembly any matters that require immediate changes in the law in order to prevent abuses or evasions of this chapter or rules adopted or to rectify undesirable conditions in connection with the administration or operation of the lottery.

Sec. 12. NEW SECTION. 993.12 STUDIES.

1. The commissioner shall make a continuous study of the lottery to ascertain any defects of this chapter or in the rules which could result in abuses in the administration and operation of the lottery or in any evasion of this chapter or the rules of the commissioner and make recommendations for improvement in this chapter.

2. The commissioner shall make a continuous study of the operation and the administration of similar laws which may be in effect in other states, any written material on the subject which is published or available, any federal laws which may affect the operation of the lottery, and the reaction of citizens to existing and potential features of the lottery in order to recommend changes that will serve the purposes of this chapter.

3. The commissioner shall make a demographic study of lottery players. This information shall not be used in lottery marketing.

Sec. 13. NEW SECTION. 991.13 CONFLICT OF INTEREST--PENALTY.

1. The commissioner, the directors, and the employees of the lottery shall not directly or indirectly, individually, or as a member of a partnership, or as a shareholder of a corporation have an interest in dealing in a lottery or in the ownership or leasing of property used by or for a lottery.

2. A member of the board, the commissioner, an employee of the lottery, or a member of their immediate families shall not ask for, offer to accept, or receive any gift, gratuity, or other thing of value from any person, corporation, association, or firm contracting or seeking to contract with the state to supply gaming equipment or materials for use in the operation of a lottery or from an applicant for a license to sell tickets or shares in the lottery or from a licensee.

3. A person, corporation, association, or firm contracting or seeking to contract with the state to supply gaming equipment or materials for use in the operation of a lottery, an applicant for a license to sell tickets or shares in the lottery or a licensee shall not offer a member of the board, the commissioner, an employee of the lottery, or a member of their immediate families any gift, gratuity, or other thing of value.

4. Any commissioner or employee of the lottery who violates this section shall be immediately removed from their position. Violation of this section is a serious misdemeanor.

Sec. 14. NEW SECTION. 99E.14 LOTTERY DIVISIONS--DIRECTORS.

1. There shall be three divisions of the state lottery:
 - a. A security and licensing division.
 - b. A personnel, data processing, and accounting division.
 - c. A marketing, education, and information division.
2. Each division shall be under the supervision of a director appointed by the commissioner and each director shall have expertise in the functions of the division. The commissioner shall designate one of the directors to serve as acting commissioner during the commissioner's absence.
3. Departments, boards, commissions, or other agencies of this state at their discretion may provide assistance to the lottery upon the request of the commissioner.

Sec. 15. NEW SECTION. 99E.15 POWER TO ADMINISTER OATHS AND TAKE TESTIMONY--SUBPOENA. The commissioner or the commissioner's designee authorized to conduct an inquiry, investigation, or hearing under this chapter may administer oaths and take testimony under oath relative to the matter of inquiry or investigation. An inquiry, investigation or hearing under this section is not a contested case under the Iowa administrative procedure Act, chapter 17A. At a hearing ordered by the commissioner, the commissioner or the designee may subpoena witnesses and require the production of records, papers, and documents pertinent to the inquiry.

Sec. 16. NEW SECTION. 998.16 LICENSING--BOWS.

1. The commissioner shall license persons to sell lottery tickets to best serve public convenience. A licensee shall not engage in business exclusively to sell lottery tickets. A business' profits from the sale of lottery tickets shall not exceed ten percent of the profits of the business. Before

issuing a license the commissioner shall consider the financial responsibility and security of the applicant, the applicant's business or activity, the accessibility of the applicant's place of business or activity to the public, the sufficiency of existing licenses to serve the public convenience, and the volume of expected sales. A licensee shall cooperate with the lottery by using point-of-purchase materials, posters, and other educational and marketing materials when requested to do so by the lottery. Lack of cooperation is sufficient cause for revocation of a person's license.

2. A licensee shall sell tickets only on the premise stated in the license. A licensee shall display the license or a copy of the license together with the lottery rules wherever tickets are sold. A license is not assignable or transferable. The commissioner may issue a temporary license when deemed necessary.

3. The commissioner shall require a bond from a licensee in an amount as provided in the rules graduated according to the volume of expected sales of lottery tickets by the licensee, or may require a licensee to furnish evidence of financial responsibility.

4. A bond shall not be canceled by a surety on less than thirty days notice in writing to the commissioner. If a bond is canceled and the licensee fails to file a new bond with the commissioner in the required amount on or before the effective date of cancellation, the licensee's license to sell tickets shall be automatically suspended. A suspended license shall be revoked if the requirements of this subsection are not met within thirty days of the license suspension. The total and aggregate liability of the surety on the bond is limited to the amount specified in the bond.

5. Subject to the approval of the board, the commissioner may authorize compensation to licensees in the manner and amounts and subject to the limitations the commissioner determines if the commissioner finds that compensation is necessary to assure adequate availability of lottery tickets.

6. A license shall not be granted to an applicant if there is substantial evidence that the applicant for a license:

- a. Has had a license to sell lottery tickets or shares suspended or revoked in another jurisdiction by the authority regulating a lottery or a court of that jurisdiction.
- b. Has not demonstrated financial responsibility sufficient to adequately meet the requirements of the proposed enterprise.
- c. Is not the true owner of the proposed enterprise,
- d. Is not the sole owner, and other persons have ownership in the enterprise, which fact has not been disclosed.
- e. Has knowingly made a false statement of material fact to the commissioner.

7. The commissioner shall revoke the license of a licensee who violates any condition listed in this section.

Sec. 17. NEW SECTION. 991.17 **REVOCATION OF LICENSE--HEARINGS--HEARING BOARD.**

1. The commissioner may suspend or revoke the license of a licensee who violates a provision of this chapter or a rule adopted pursuant to this chapter. If the commissioner suspends or revokes a license, or refuses to grant a license, the aggrieved party is entitled to a hearing by filing a written request with the commissioner. Upon receipt of the request for hearing, the commissioner shall set a hearing date within thirty days of receipt of the request, and shall notify the aggrieved party, in writing, at least seven days in advance of the hearing date. The commissioner may stay the revocation or suspension of a license pending the outcome of the hearing, when a stay is requested with the request for hearing.

2. A three-member hearing board for the purpose of conducting hearings relating to controversies concerning the issuance, suspension, or revocation of licenses is created. One member shall be a designee of the board, one member shall be the treasurer of state or a designee of the treasurer of state, and one member shall be the commissioner of public

safety or a designee of the commissioner of public safety. The hearing board shall adopt rules and procedures for conducting departmental hearings.

3. A license shall not be suspended for less than one hundred twenty days. A former licensee whose license is revoked shall not be eligible to receive another license.

4. Section 17A.18 does not apply to a revocation or suspension under this section and a hearing held under this section is not a contested case under the Iowa administrative procedure Act.

Sec. 18. NEW SECTION. 99E.18 PROHIBITED SALES OF TICKETS--
-FORGERY OF TICKET.

1. A ticket shall not be sold at a price greater than that fixed by the board and the commissioner and a sale shall not be made other than by a licensee or an employee of the licensee who is authorized by the licensee to sell tickets. A person who violates a provision of this subsection is guilty of a simple misdemeanor.

2. A ticket shall not be sold to a person defined as a minor in section 599.1. This does not prohibit the lawful purchase of a ticket for the purpose of making a gift to a person who has not yet reached the age of majority. A licensee or a licensee's employee who knowingly sells or offers to sell a lottery ticket or share to a person who has not reached the age of majority is guilty of a simple misdemeanor. A prize won by a person who has not reached the age of majority but who purchases a winning ticket in violation of this subsection shall be forfeited.

3. A ticket shall not be purchased by and a prize shall not be paid to the commissioner, board member or employee of the lottery or to any spouse, child, stepchild, brother, brother-in-law, stepbrother, sister, sister-in-law, stepsister, parent, parent-in-law, or stepparent residing as a member of the same household in the principal residence of the commissioner, board member or employee.

4. A person who, with intent to defraud, falsely makes, alters, forges, utters, passes, or counterfeits a lottery ticket or share is guilty of a class D felony.

Sec. 19. NEW SECTION. 99I.19 DISTRIBUTION OF PRIZES--
-UNCLAIMED PRIZES--PRIZES OF MINORS--NONASSIGNABILITY OF PRIZE
RIGHT.

1. The commissioner shall award the designated prize to the ticket holder upon presentation of the winning ticket.

All cash prizes are considered Iowa earned income. Before a prize of six hundred dollars or more is awarded the commissioner or the commissioner's designee shall deduct an amount equal to that amount necessary to pay the state and the federal taxes on the prize. An amount deducted from the prize for payment of a federal tax shall be transferred by the commissioner to the federal department of revenue on behalf of the prize winner. An amount deducted from the prize for payment of a state tax shall be transferred by the commissioner to the state department of revenue on behalf of the prize winner. Unclaimed prize money for the prize on a winning ticket or share shall be retained by the commissioner for ninety days after the drawing in which the prize was won in the case of a drawing prize and for ninety days after the announced end of the game in the case of a prize determined in a manner other than by drawing. If a valid claim is not made for the money within the applicable period, the prize money shall be added to future prize pools and given to holders of winning tickets in addition to amounts already allocated.

2. If the person entitled to a prize is under the age of eighteen, and the prize is more than one thousand dollars, the commissioner shall direct payment of the prize by transfer to the parent or guardian of the minor of a check payable to the order of the parent or guardian. If less than one thousand dollars, the commissioner may direct payment of the prize to the parent or guardian of the minor. The commissioner

shall be discharged of all further liability upon payment of a prize to a minor pursuant to this subsection.

3. The right of a person to a prize drawn is not assignable, except that payment of a prize may be made to the estate of a deceased prize winner or to another person pursuant to an appropriate judicial order. The commissioner shall be discharged of all further liability upon payment of a prize pursuant to this subsection.

Sec. 20. NEW SECTION. 99E.20 DEPOSIT OF RECEIPTS FROM TICKET SALES--LOTTERY FUND--QUARTERLY AUDITS.

1. Subject to the approval of the board, the commissioner may require licensees to deposit to the credit of the lottery in financial institutions designated by the commissioner, money received by licensees from sale of tickets, less the amount of compensation, if any, authorized under section 99E.16, subsection 5, and to file with the commissioner reports of receipts and transactions in the sale of tickets in the form and containing the information the commissioner requires.

2. A lottery fund is created. The fund consists of all revenues received from the sale of lottery tickets and all other moneys lawfully credited or transferred to the fund. Interest earnings of the fund shall be considered additional profits of the lottery. The commissioner shall certify quarterly that portion of the fund that is transferred to the general fund under section 99E.10 and shall cause that portion to be transferred to the general fund of the state. Moneys transferred to the general fund shall include moneys necessary for repayment of moneys appropriated as initial funding of the lottery.

3. The auditor of state or a certified public accounting firm appointed by the auditor shall conduct quarterly audits of all accounts and transactions of the lottery and other special audits as the auditor of state, the general assembly, or the governor deems necessary. The auditor or a designee conducting an audit under this chapter shall have access and

authority to examine any and all records of licensed agents and licensees.

Sec. 21. NEW SECTION. 993.21 LIABILITY AND FUNDING. The board and the commissioner shall operate the lottery so that after the initial state appropriation, it shall be self-sustaining and self-funded. A claim for the payment of any expense of the lottery and the payment of any lottery prize shall not be made unless it is against the lottery fund or money collected from the sale of lottery tickets or shares. Except for the initial appropriation to the lottery, funds of the state shall not be used or obligated to pay the expenses of the lottery or prizes of the lottery.

Sec. 22. Section 537A.4, unnumbered paragraph 2, Code Supplement 1983, is amended to read **as** follows:

This section does not apply to a contract for the operation of or for the sale or rental of equipment for games of skill or games of chance, if both the contract and the games are in compliance with chapter 99B. This section does not apply to wagering under the pari-mutuel method of wagering authorized by chapter 99D. This section does not apply to the purchase or redemption of a ticket in the state lottery in compliance with chapter 99E.

Sec. 23. Section 725.15, Code 1983, is amended to read as follows:

725.15 EXCEPTIONS FOR LEGAL GAMBLING. Sections 725.5 to 725.10 and section 725.12 ~~shall~~ **do** not apply to any **a** game, activity or device when lawfully possessed, used, conducted or participated in pursuant to chapter 99B or chapter 99E.

Sec. 24. It is the intent of the general assembly that this Act shall have temporary effect only, that chapter 99E is repealed on July 1, 1987 other than to implement the winding down of the operations of the Iowa lottery board, and that sections 537A.4, Code Supplement 1983, and 725.15, Code 1983, as they existed prior to amendment by this Act shall be the law of this state on or after July 1, 1987.

Sec. 25. This Act, being deemed of immediate importance, takes effect from and after its publication in the Business Record, a newspaper published in Des Moines, Iowa, and in the Ankeny Press Citizen, a newspaper published in Ankeny, Iowa.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2295, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

el



TERRY E BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211



March 21, 1984

The Honorable Donald Avenson
Speaker
House of Representatives
State Capitol Building
L O C A L

Dear Speaker Avenson:

I am enclosing House File 2295, an act relating to lotteries by providing for a state lottery, a state lottery board and an agency to oversee lottery operations, a state lottery fund for the deposit of receipts and for the payment of prizes and expenses, licensing of lottery ticket sales agents, administrative procedures necessary in carrying out the intent of the act, making certain acts illegal, providing a penalty, providing that revenue generated shall be distributed to the general fund for the economic development initiatives of a nonrecurring nature, creating an economic development initiatives advisory board, providing for repeal of the act, and providing an effective date, which, in accordance with Article 111, Section 16, Constitution of the State of Iowa, which I hereby disapprove and transmit to the Speaker of the House of Representatives.

House File 2295 would establish a lottery to be operated by state government. An Iowa lottery agency with a five-member lottery board would be established to initiate and operate a state lottery. This lottery agency is given powers needed to establish a lottery, license ticket sellers, promote ticket sales and establish any kind of Lottery game except for a video lottery which is prohibited. The bill also, directs that, as nearly as practicable, 45 percent of the annual lottery revenues be used for prizes, with the remaining 55 percent used for administration and for "economic development initiatives". Finally, House File 2295 would cause the lottery to sunset in three years.

The Honorable Donald Avenson
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Just over nine months ago, I was presented with similar legislation, which I disapproved. At that time, I indicated three basic reasons for my disapproval:

- Concern over the long-term fiscal impact of a lottery. Proponents claimed that a lottery would generate over \$120,000,000 per year in Iowa -- many times the estimates made by those familiar with the Iowa economy.
- Concern over the adverse economic impact of a lottery. I noted in my message accompanying House File 634 that a state lottery would siphon dollars from the pockets of Iowans in order to fill up the state coffers.
- Concern over having state government enter the gambling business. If the state was forced to engage in potentially deceptive advertising and gambling gimmickry, it would clearly reduce the integrity, strength and effectiveness of state government.

For the foregoing reasons, I vetoed House File 634. Today, I am faced with a similar bill. Lottery proponents have added a few new wrinkles in an attempt to build political pressure for a change in my position on this issue. Indeed, many have counseled me to bow to the political winds and sign House File 2295 into law.

Despite this pressure, I have consistently made my position on a state lottery clear. Nevertheless, for several weeks I have respectfully listened to many of those who have urged me to change my position and compromise my principles. I have reviewed, studied and pondered this issue. And, I have taken to heart the wise words of Abraham Lincoln who said, "There are few things wholly evil or wholly good. Almost everything, especially of government policy, is an inseparable compound of the two, so that our own best judgment of the preponderance between them is continually demanded."

My review of the lottery issue has reaffirmed my earlier objections to this legislation. I note that lottery proponents have scaled back their revenue estimates of a year ago by one-half. I remain concerned about the impact of enticing private sector dollars into government coffers.

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Moreover, economic development initiatives including the Iowa World Trade Center ought to stand on their own merits, not to be based upon the vagaries of lottery revenues. The General Assembly has been presented with a yackaye of initiatives to create jobs. I stand by those initiatives and the budget upon which they are based.

Most importantly, my philosophical opposition to a state-run lottery remains firm. When I was growing up on our family farm in northern Iowa, I learned the value of being honest and straight forward. Iowans expect the same thing from state government. A lottery would place state government in the position of preying on people's false hopes for instant wealth. This is not the kind of honest and straight forward approach that Iowans expect from each other and from their state government.

Consider, for example, that the odds of winning any lottery jackpot are at least one in 3.5 million. The odds of winning one of the much-publicized \$1 million lottery prizes are one in 20 million. Death by lightning, as has been reported, is seven times more likely. If a commercial sweepstakes operated like a lottery, the Federal Trade Commission has indicated that it would be declared illegal.

I am deeply concerned about government feeding off of the false hopes of people who have only a miniscule chance of winning. Lotteries result in state governments aggressively engaging in more promotional blitzes to stimulate the public's interest. Instead of government regulating, licensing, and protecting, government would be marketing, promoting and deceiving.

Consider the fact that states are forced to continually expand lottery games in order to maintain their lottery revenue addiction. Illinois has added seven new lottery games, including the numbers game, in order to generate lottery dollars. New York is planning the expansion of lottery gaming into sports betting to continue to generate growth in lottery revenues. And video lotteries are being hailed as the key to the future of the lottery.

There are significant differences between a state lottery and pari-mutuel. pari-mutuel must rise or fall in the private sector with government limited to its proper role of regulating, licensing and protecting Iowans from abuse. That is far different from government actually promoting and marketing a lottery and directly profiting from it.

The Honorable Donald Avenson
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Lottery proponents claim that House File 2295 would terminate state government's lottery business by eliminating the program in three years. Historically, sunset clauses do not work. A review of recent legislative sunset clauses in Iowa shows that agencies set for elimination have been retained and extended.

Moreover, sunset clauses applied to revenue producing initiatives have been notoriously unsuccessful, such as the cigarette tax increase and insurance premium payment speed up of 1981. Each measure contained a sunset provision which has already been abolished. Even the original state sales tax enacted in 1934 had a provision for repeal in 1937. In short, sunset clauses generally fail to eliminate agencies and have clearly failed to wean the government from its appetite for revenues. I am convinced that the 1987 sunset provision in this bill would not be effective.

I appreciate the differences of opinion among Iowans on this issue. The discussion has been primarily focused on the effects of a lottery on this legislative session and the 1984-1985 fiscal year budget. However, I believe the decision on this issue will have profound and far reaching public policy implications for years to come. To sign this measure would jeopardize the fragile relationship of trust which exists today between Iowa government and the people. If we need revenue, we should ask Iowans for it. We should also have the courage to say no when we can't afford new spending programs.

I understand and appreciate the arguments of those who support a state lottery. I hope they will understand the compelling reasons I have for taking this action tonight.

Very truly yours,



Terry E. Branstad
Governor

TEB/ps

exercise its powers and perform its duties under section 421.17 and other applicable laws so as to require the uniform and consistent application of said section.

Sec. 3. Section 443.5, Code 1983, is repealed.

HOUSE FILE 2326

AN ACT

TO ELIMINATE THE COUNTY AUDITOR'S ANNUAL PROPERTY VALUATION AND TAX REPORT TO THE DEPARTMENT OF REVENUE.

DONALD D. AVENSON
Speaker of the House

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

ROBERT T. ANDERSON
President of the Senate

Section 1. Section 443.2, unnumbered paragraph 2, Code 1983, is amended to read as follows:

I hereby certify that this bill originated in the House and is known as House File 2326, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

The county auditor shall list the aggregate actual value and the aggregate taxable value of all taxable property within the county and each political subdivision on the tax list in order that the actual value of the taxable property within the county or a political subdivision may be ascertained and shown by the tax list for the purpose of computing the debt-incurring capacity of the county or political subdivision. As used in this section ~~and section 443.5~~, "actual value" is the value determined under section 441.21, subsections 1 to 3, prior to the reduction to a percentage of actual value as otherwise provided in section 441.21.

Approved _____, 1984

Sec. 2. Section 443.22, Code 1983, is amended to read as follows:

TERRY E. BRANSTAD
Governor

443.22 UNIFORM ASSESSMENTS MANDATORY. All assessors and assessing bodies, including the department of revenue having authority over the assessment of property for tax purposes, shall comply with ~~the provisions of~~ sections 428.4, 428.29, 434.15, 438.13, 441.21, and 441.45 ~~and 443.5~~. The department of revenue having authority over ~~such~~ the assessments, shall

subsection prevails over any other statutes authorizing income tax refunds or claims.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2331, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

HOUSE FILE 2331

AN ACT

RELATING TO THE FILING OF REFUND CLAIMS RESULTING FROM THE CARRYBACK OF NET OPERATING LOSSES OR NET CAPITAL LOSSES FOR TAX YEARS ENDING ON OR BEFORE DECEMBER 31, 1978 FOR PERSONAL AND CORPORATE AND FRANCHISE TAX PURPOSES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 422.73, Code Supplement 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 3. A credit, action or claim for refund arising or existing from a carryback of a net operating loss or net capital loss from tax years ending on or before December 31, 1978 is not allowed, unless the action or claim was received by the department prior to July 1, 1984. This

H.F. 2331

HOUSE FILE 2391

AN ACT

RELATING TO LICENSE FEES, INSPECTION FEES, AND OTHER FEES
CHARGED BY THE COMMERCE COMMISSION UNDER CHAPTERS 542
AND 543.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 542.5, unnumbered paragraph 1, Code 1983, is amended to read as follows:

Upon the filing of the application and compliance with the terms and conditions of this chapter and rules of the commission, the commission shall issue a license to the applicant. The license shall terminate on the thirtieth of June of each year. A grain dealer's license may be renewed annually by the filing of a renewal fee and a renewal application on a form prescribed by the commission. An application for renewal shall be received by the commission before the thirtieth of June. A grain dealer license which has terminated may be reinstated by the commission upon receipt of a proper renewal application, the renewal fee, and ~~penalty~~ the reinstatement fee in the amount of fifty dollars from the grain dealer, provided that such materials are as provided in section 542.6 if filed within thirty days from the date of termination of the grain dealer license. The commission may cancel a license upon request of the licensee unless a complaint or information is filed against the licensee alleging a violation of a provision of this chapter.

Sec. 2. Section 542.6, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

542.6 FEES. The commission shall charge the following fees for deposit in the general fund:

1. For the issuance or renewal of a license for a grain dealer and for any inspection of a grain dealer, the fee shall be determined on the basis of dollar volume of all grain purchased the previous calendar year as follows:

- a. If the total purchased is one hundred thousand dollars or less, the license fee is forty dollars and the inspection fee is fifty dollars.
 - b. If the total purchased is more than one hundred thousand dollars, but not more than seven hundred fifty thousand dollars, the license fee is seventy dollars and the inspection fee is seventy-five dollars.
 - c. If the total purchased is more than seven hundred fifty thousand dollars, but not more than one million five hundred thousand dollars, the license fee is one hundred dollars and the inspection fee is one hundred fifteen dollars.
 - d. If the total purchased is more than one million five hundred thousand dollars, but not more than three million dollars, the license fee is one hundred seventy-five dollars and the inspection fee is one hundred fifty dollars.
 - e. If the total purchased is more than three million dollars, but not more than four million seven hundred fifty thousand dollars, the license fee is three hundred dollars and the inspection fee is one hundred eighty-five dollars.
 - f. If the total purchased is more than four million seven hundred fifty thousand dollars, but not more than nine million five hundred thousand dollars, the license fee is four hundred twenty-five dollars and the inspection fee is two hundred twenty-five dollars.
 - g. If the total purchased is more than nine million five hundred thousand dollars, the license fee is five hundred seventy-five dollars and the inspection fee is two hundred sixty-five dollars.
- If the applicant did not purchase grain the previous calendar year, the applicant will pay the fee specified in subsection 1, paragraph "a". If during the license period the total grain actually purchased exceeds one hundred thousand dollars, the licensee shall notify the commission and the license and inspection fee shall be adjusted accordingly. Subsequent adjustments shall be made as necessary. An applicant may elect licensing in any category of subsection 1. New licenses issued for less than a full year shall be prorated from the date of application.

2. For an amendment to a license, the fee is ten dollars.
3. For a duplicate license, the fee is five dollars.
4. For reinstatement of a license the fee is fifty dollars.

Sec. 3. Section 543.2, Code 1983, is amended to read as follows:

543.2 DUTIES AND POWERS OF THE COMMISSION. The commission may exercise general supervision over the storage, warehousing, classifying according to grade or otherwise, weighing, and certification of agricultural products. The commission may inspect or cause to be inspected any warehouse. Inspections may be made at times and for purposes as the commission determines. The commission shall cause every licensed warehouse and its contents to be inspected once in every twelve-month period, provided that if a class 1 warehouseman elects to submit the unaudited financial statement under section 543.6, subsection 4, paragraph "b," the commission shall cause the warehouse to be inspected twice in every twelve-month period. The commission may require the filing of reports relating to a warehouse or its operation. If upon inspection a deficiency is found to exist as to the quantity or quality of agricultural products stored, as indicated on the warehouseman's books and records according to official grain standards, the commission may require an employee of the commission to remain at the licensed warehouse and supervise all operations involving agricultural products stored there under this chapter until the deficiency is corrected. The charge for the cost of maintaining an employee of the commission at a warehouse to supervise the correction of a deficiency is one hundred fifty dollars per day. The commission may make available to the United States government, or any of its agencies, including the Commodity Credit Corporation the results of inspections made and inspection reports submitted to it by employees of the commission, upon payment to it of charges as determined by the commission, but the charge shall not be less than the actual cost of services rendered, as determined by the commission. The

commission may enter into contracts and agreements for such purpose and shall keep a record of all money thus received. All such money shall be paid over to the treasurer of state as miscellaneous receipts. The commission may classify any warehouse in accordance with its suitability for the storage of agricultural products and shall specify in any license issued for the operation of any warehouse the type or types and the quantity of agricultural products which may be exclusively stored in the warehouse. The commission may prescribe, within the limitations of this chapter, the duties of licensed warehousemen with respect to the care of and responsibility for the contents of licensed warehouses. Grain grades shall be determined under the official grain standards. The commission may from time to time publish data in connection with the administration of this chapter as may be of public interest. The commission shall administer this chapter.

Sec. 4. Section 543.33. Code 1983, is amended by striking the section and inserting in lieu thereof the following:

543.33 FEES. The commission shall charge the following fees for deposit in the general fund:

1. For the issuance or renewal of a warehouse license, the fee shall be determined on the basis of the storage capacity in bushels of grain as follows:
 - a. If the total storage capacity is one hundred thousand bushels or less, the fee is thirty-five dollars.
 - b. If the total storage capacity is more than one hundred thousand bushels, but not more than seven hundred fifty thousand bushels, the fee is seventy-five dollars.
 - c. If the total storage capacity is more than seven hundred fifty thousand bushels, but not more than one million five hundred thousand bushels, the fee is one hundred fifteen dollars.
 - d. If the total storage capacity is more than one million five hundred thousand bushels, but not more than three million bushels, the fee is one hundred fifty dollars.
 - e. If the total storage capacity is more than three million bushels, but not more than four million seven hundred fifty thousand bushels, the fee is one hundred eighty-five dollars.

f. If the total storage capacity is more than four million seven hundred fifty thousand bushels, but not more than nine million five hundred thousand bushels, the fee is two hundred twenty-five dollars.

g. If the total storage capacity is more than nine million five hundred thousand bushels, the fee is two hundred sixty-five dollars.

2. For the issuance or renewal of a warehouse license for the storage of products other than bulk grain, the fee shall be determined as follows:

a. For intended storage of products of a value of one hundred thousand dollars or less, a fee of sixty dollars.

b. For intended storage of products of a value greater than one hundred thousand dollars but not greater than three hundred thousand dollars, a fee of one hundred dollars.

c. For intended storage of products of a value in excess of three hundred thousand dollars, a fee of two hundred dollars.

For each inspection of a warehouse or station for the purpose of licensing, a fee of twenty-five dollars, and for each additional warehouse or station under the same license, a fee of ten dollars.

3. For each amendment of a license, a fee of ten dollars.

4. For each amendment of a tariff, a fee of ten dollars

5. For a duplicate license. a fee of five dollars.

6. For the reinstatement of a license, a fee of fifty dollars.

New licenses issued for less than a year shall be prorated from the date of application.

Sec. 5. Section 543.37, Code 1983, is amended to read as follows:

543.37 FAILURE TO PAY FEE. Failure to pay the annual fee provided for in section 543.33 on or before June 30 of the year for which due shall cause a license to terminate. A warehouse license which has terminated may be reinstated by the commission upon receipt of a proper renewal application,

the renewal fee, and ~~a penalty~~ the reinstatement fee in the amount of twenty-five dollars as provided for in section 543.33, if filed within thirty days from the date of termination of the warehouse license. The commission may cancel the license upon request of the licensee unless a complaint or information is filed against the licensee alleging a violation of a provision of this chapter.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2391, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

only to repairs of two thousand five hundred dollars or less per building per year.

WNALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2444, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

HOUSE FILE 2444

AN ACT

TO PROVIDE THAT THE TAXABLE VALUE OF A BUILDING SHALL NOT BE INCREASED WHERE THE DOLLAR AMOUNT OF NORMAL AND NECESSARY REPAIRS TO THE BUILDING WES NOT EXCEED **TWO** THOUSAND FIVE HUNDRED DOLLARS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 441.21, subsection 9, paragraph a, Code 1983, is amended to read as follows:

a. Any normal and necessary repairs to any a building, not amounting to structural replacements or modification, shall not increase the taxable value of ~~such~~ the building.

~~The provisions of this~~ This paragraph ~~shall apply~~ applies

H.F. 2444

HOUSE FILE 2481

AN ACT

RELATING TO THE TAXATION, VALUATION, AND QUALIFICATION OF
A FRUIT-TREE OR FOREST RESERVATION FOR PROPERTY TAX PURPOSES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 161.3, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

161.3 FOREST RESERVATION. A forest reservation shall contain not less than two hundred growing forest trees on each acre. If the area selected is a forest containing the required number of growing forest trees, it shall be accepted as a forest reservation under this chapter provided application is made or on file on or before April 15 of the exemption year. If any buildings are standing on an area selected as a forest reservation under this section or a fruit-tree reservation under section 161.7 one acre of that area shall be excluded from the tax exemption. However, the exclusion of that acre shall not affect the area's meeting the acreage requirement of section 161.2.

Sec. 2. Section 161.7, Code 1983, is amended to read as follows:

161.7 FRUIT-TREE RESERVATION. A fruit-tree reservation shall contain on each acre, at least forty apple trees, or seventy other fruit trees, growing under proper care and annually pruned and sprayed. ~~Such a~~ reservation may be claimed as ~~such a~~ fruit-tree reservation, under this chapter, for a period of eight years after planting provided application is made or on file on or before April 15 of the exemption year.

Sec. 3. section 161.10, Code 1983, is amended to read as follows:

161.10 RESTRAINT OF LIVESTOCK AND LIMITATION ON USE. Cattle, horses, mules, sheep, goats, and hogs shall not be permitted upon a fruit-tree or forest reservation. Fruit-tree and forest reservations shall not be used for economic gain other than the gain from raisins fruit or forest trees.

Sec. 4. Section 161.12, Code 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The appropriate county conservation board or, in a county without a county conservation board, the assessor shall inspect the area for which an application is filed for a fruit-tree or forest reservation tax exemption before the application is accepted. The application can only be accepted if it meets the criteria established by the state conservation commission to be a fruit-tree or forest reservation. Once the application has been accepted, the area shall continue to receive the tax exemption during each year in which the area is maintained as a fruit-tree or forest reservation without the owner having to refile. If the property is sold or transferred, the buyer or transferee does not have to refile for the tax exemption. The tax exemption shall continue to be granted for the remainder of the eight-year period for fruit-tree reservation and for the following years for forest reservation or until the property no longer qualifies as a fruit-tree or forest reservation. The area may be inspected each year by the

county conservation board or, in a county without a county conservation board, the assessor to determine if the area is maintained as a fruit-tree or forest reservation. If the area is not maintained ~~or is~~ used for economic gain other than as a fruit-tree reservation during any year of the eight-year exemption period and any year of the following five years or as a forest reservation during any year for which the exemption is granted and any ~~of~~ the five years following those exemption years, the assessor shall assess the property for taxation at its fair market value as of January 1 of that year and in addition the area shall be subject to the recapture tax. However, the area shall not be subject to the recapture tax if the owner, including one possessing under a contract of sale, and the owner's direct antecedents or descendants have owned the area for more than ten years. The tax shall be computed by multiplying the consolidated levy for each of those years, if any, of the five preceding years ~~for which~~ the area received the exemption for fruit-tree or forest reservation times the assessed value of the area that would have been taxed but for the tax exemption. This tax shall be entered against the property on the tax list for the current year and shall constitute a lien against the property in the same manner as a lien for property taxes. The tax when collected shall be apportioned in the manner provided for the apportionment of the property taxes for the applicable tax year.

Sec. 5. Section 427.1, subsection 36, unnumbered paragraphs 1 and 2, Code Supplement 1983, are amended to read as follows:

Wetlands, recreational lakes, ~~forest~~ covers, ~~forest~~ ~~reservations~~, rivers and streams, river and stream banks, and open prairies as designated by the board of supervisors of the county in which located. The board of supervisors shall annually designate the real property, not to exceed in the aggregate for the fiscal year beginning July 1, 1983

the greater of one percent of the acres assessed as agricultural land or three thousand acres in each county, for which this exemption shall apply. For subsequent fiscal years, the limitation on the maximum acreage of real property that may be granted exemptions shall be the limitation for the previous fiscal year, unless the amount of acreage granted exemptions for the previous fiscal year equaled the limitation for that year, then the limitation for the subsequent fiscal year is the limitation for the previous fiscal year plus an increase, not to exceed three hundred acres, of ten percent of that limitation. ~~However, the board of supervisors shall grant a tax exemption to a tract of land if it fulfills the conditions of sections 161.1 to 161.13 for a forest reservation. The acreage granted this exemption for a forest reservation shall not be included within the limitation for the fiscal year for which the exemption is granted.~~ The procedures of this subsection shall be followed for each assessment year to procure an exemption for the fiscal year beginning in the assessment year. The exemption shall be only for the fiscal year for which it is granted, except that an exemption granted for wetlands shall be for three fiscal years. A parcel of property may be granted subsequent exemptions. The exemption shall only be granted for parcels of property of two acres or more.

Application for this exemption shall be filed with the commissioners of the soil conservation district in which the property is located, or if not located in a district, to the board of supervisors, not later than April 15 of the assessment year, on forms provided by the department of revenue. However, in the case of an exemption granted for wetlands an application does not have to be filed for the second and third years of the three-year exemption period. The application shall describe and locate the property to be exempted and have attached to it an aerial photo of that property on which is outlined the boundaries of the property to be exempted. In

the case of an open prairie which is or includes a gully area susceptible to severe erosion, an approved erosion control plan must accompany the application. Upon receipt of the application, the commissioners or the board of supervisors, if the property is not located in a soil conservation district, shall certify whether the property is eligible to receive the exemption. The commissioners or board shall not withhold certification of the eligibility of property because of the existence upon the property of an abandoned building or structure which is not used for economic gain. If the commissioners certify that the property is eligible, the application shall be forwarded to the board of supervisors by May 1 of that assessment year with the certification of the eligible acreage. An application must be accompanied by an affidavit signed by the applicant that if an exemption is granted, the property ~~if other than a forest reservation~~ will not be used for economic gain during the assessment year in which the exemption is granted.

Sec. 6. Section 427.1, subsection 36, unnumbered paragraph 5, Code Supplement 1983, is amended to read as follows:

The board of supervisors, ~~except as required for forest reservations~~, does not have to grant tax exemptions under this subsection, grant tax exemptions in the aggregate of the maximum acreage which may be granted exemptions, or grant a tax exemption for the total acreage for which the applicant requested the exemption. Only real property in parcels of two acres or more which is wetlands, recreational lakes, forest cover, ~~forest reservations~~, river and stream, river and stream banks or open prairie and which is utilized for the purposes of providing soil erosion control or wildlife habitat or both, and which is subject to property tax for the fiscal year for which the tax exemption is requested is eligible for the exemption under this subsection. However, in addition to the above, in order for a gully area which is susceptible to severe erosion to be eligible, there must

be an erosion control plan for it approved by the commissioners of the soil conservation district in which it is located or the state soil conservation committee if not located in a district. In the case of an exemption for river and stream or river and stream banks, the exemption shall not be granted unless there is included in the exemption land located at least thirty-three feet from the ordinary high water mark of the river and stream or river and stream banks. Property shall not be denied an exemption because of the existence upon the property of an abandoned building or structure which is not used for economic gain. If the real property is located within a city, the approval of the governing body must be obtained before the real property may be eligible for an exemption. For purposes of this subsection:

Sec. 7. Section 427.1, subsection 36, lettered paragraph e, Code Supplement 1983, is amended by striking the lettered paragraph.

Sec. 8. Section 441.22, Code 1983, is amended to read as follows:

441.22 FOREST AND FRUIT-TREE RESERVATIONS. Forest and fruit-tree reservations fulfilling the conditions of sections 161.1 to 161.13 ~~which are located within the corporate limits of a city and which are not open to public use shall be assessed at market value~~ shall be exempt from taxation. ~~Fruit-tree reservations fulfilling the conditions of sections 161.1 to 161.13 shall be assessed on a taxable valuation of twenty dollars per acre for a period of eight years from the time of planting except that a fruit-tree reservation located within the corporate limits of a city which is not open to public use shall be assessed at market value.~~ In all other cases where trees are planted upon any tract of land, without regard to area, for forest, fruit, shade, or ornamental purposes, or for windbreaks, the assessor shall not increase the valuation of ~~even the~~ property because of such improvements.

Sec. 9. This Act is effective for valuations established for assessment years beginning on or after January 1, 1985.

DONALD D. AVENSON
Speaker of the House

CHARLES P. MILLER
President Pro Tempore of the
Senate

I hereby certify that this bill originated in the House and is known as House File 2481, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

HOUSE FILE 2503

AN ACT

RELATING TO THE TAXATION OF ENGRAVING, PHOTOGRAPHY, RETOUCHING,
PRINTING, AND BINDING UNDER THE STATE SALES, SERVICES. AND
USE TAX.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 422.43, Code Supplement 1983, is amended
by adding after subsection 3 the following new subsection
and renumbering the remaining subsections:

NEW SUBSECTION. There is imposed a like rate of tax upon
the gross receipts from the sales of engraving, photography,
retouching, printing, and binding services. For the purpose
of this division, the sales of engraving, photography,
retouching, printing, and binding services are sales of
tangible property.

Sec. 2. Section 422.43, subsection 9, Code Supplement
1983, is amended to read as follows:

9. The following enumerated services are subject to the
tax imposed on gross taxable services: Alteration and garment
repair; armored car; automobile repair; battery, tire and
allied; investment counseling, +excluding investment services
of trust departments; bank service charges; barber and beauty;
boat repair; car wash and wax; carpentry; roof, shingle, and
glass repair; dance schools and dance studios; dry cleaning,
pressing, dyeing, and laundering; electrical repair and
installation; ~~engraving, photography, and retouching~~, equipment
rental; excavating and grading.; farm implement repair of all
kinds; flying service, except agricultural aerial application
services and aerial commercial and charter transportation
services; furniture, rug, upholstery repair and cleaning;
fur storage and repair; golf and country clubs and all
commercial recreation; house and building moving; household
appliance. television, and radio repair; jewelry and watch
repair; machine operator; machine repair of all kinds; motor
repair; motorcycle, scooter, and bicycle repair; oilers and
lubricators; office and business machine repair; painting,
papering, and interior decorating; parking facilities; pipe
fitting and plumbing; **wood** preparation; private employment
agencies, excluding services for placing a person in employment
where the principal place of employment of that person is
to be located outside of the state; ~~printing and binding~~,
sewing and stitching; shoe repair and shoeshine; storage
warehousing of raw agricultural products; telephone answering
service; test laboratories. except tests on humans; termite,
bug, roach, and pest eradicators; tin and sheet metal repair;
turkish baths, massage, and reducing salons; vulcanizing,
recapping, and retreading; weighing; welding; well drilling;
wrapping, packing, and packaging of merchandise other than
processed meat. fish, fowl and vegetables; wrecking service;
wrecker and towing.

Sec. 3. Section 423.1, subsection 4, Code Supplement 1983,
is amended to read as follows:

4. "Tangible personal property" means tangible goods, wares, merchandise, optional service or warranty contracts, engraving, photography, retouching, printing, or binding services, and gas, electricity, and water when furnished or delivered to consumers or users within this state.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this **bill** originated in the House and is known **as** House File 2503, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

HOUSE FILE 2507

AN ACT

RELATING TO THE PENALTIES FOR CERTAIN TAXES INCLUDING CIGARETTE AND TOBACCO TAXES, STATE MOTOR VEHICLE FUEL TAXES, FREIGHT LINE AND EQUIPMENT CAR MILEAGE TAXES, INCOME TAXES, WITHHOLDING TAXES, FRANCHISE TAXES, INHERITANCE AND ESTATE TAXES, SALES AND USE TAXES, AND GENERATION SKIPPING TRANSFER TAXES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 98.28, Code 1983, is amended to read as follows:

98.28 ASSESSMENT OF TAX BY DEPARTMENT. If after any audit, examination of records, or other investigation the department finds that any person has sold cigarettes, without stamps affixed thereto as required by this division or that any person has failed to pay at least ninety percent of any tax imposed upon the person, the department shall fix and determine the amount of tax due, and shall assess the tax against the person, together with a penalty, which is imposed, equal to of five percent of the amount of the tax. The taxpayer shall pay interest on the tax or additional tax at the rate determined under section 421.7 counting each fraction of a month as an entire month, computed from the date the tax was due. If any person fails to furnish evidence satisfactory to the director showing purchases of sufficient stamps to stamp unstamped cigarettes purchased by the person, the presumption shall be that the cigarettes were sold without the proper stamps affixed thereto. Within two years after the return is filed or within two years after the return became due, whichever is later, the department shall examine it and determine the correct amount of tax.

Sec. 2. Section 98.46, subsections 5 and 6, Code 1983, are amended to read as follows:

5. All taxes shall be due and payable not later than the twentieth day of the month following the calendar month in which they were incurred, and thereafter shall bear interest at the rate of one percent per month in effect under section 421.7 counting each fraction of a month as an entire month, computed from the date the tax was due.

Where, under the provisions of subsections 2 and 3 of this section, the amount of tax due for a given period is assessed without allocating it to any particular month or months, the interest shall commence to run from the date of such the assessment.

The director shall have power to may reduce or abate interest when in his the director's opinion the facts warrant such the reduction or abatement. The exercise of this power shall be subject to the approval of the attorney general.

6. The director in issuing his the final assessment pursuant to subsection 3 shall add to the amount of tax found due and unpaid a penalty of ten five percent thereof of the tax if less than ninety percent of the tax has been paid, except that, if he the director finds that the taxpayer has made a false and fraudulent return with intent to evade the tax imposed by this division, the penalty shall be twenty-five fifty percent of the entire tax as shown by the return as corrected. The director in assessing a tax on the basis of a return made pursuant to subsection 4 shall add to the amount of tax found due and unpaid a penalty of twenty-five fifty percent thereof of the tax. The penalty imposed under this subsection is not subject to waiver.

The director shall have power to abate penalties, when in his opinion their enforcement would be unjust and inequitable, -- The exercise of this power shall be subject to the approval of the attorney general.

Sec. 3. Section 324.65, Code 1983, is amended to read as follows:

324.65 PENALTY FOR FAILURE TO PROMPTLY REPORT OR PAY FUEL TAXES. If a licensee or other person fails to file a required

~~report with the appropriate state agency on or before the due date, unless it is shown that the failure was due to reasonable cause there shall be added to the amount required to be shown as tax due on the return five percent of the amount of the tax if the failure is for not more than one month, with an additional five percent for each additional month or fraction of a month during which the failure continues, not exceeding twenty five percent in the aggregate. If a licensee or other person fails to remit at least ninety percent of the tax due with the filing of the return on or before the due date or pays less than ninety percent of any tax required to be shown on the return, unless it is shown that the failure was due to reasonable cause, there shall be added to the tax a penalty of five percent of the amount of the tax due, if the failure is for not more than one month, with an additional five percent for each additional month or fraction of a month during which the failure continues, not exceeding twenty five percent in the aggregate. The~~ penalty imposed under this section is not subject to waiver. The taxpayer shall also pay interest on the tax or additional tax at the rate in effect under section 421.7 counting each fraction of a month as an entire month, computed from the date the return was required to be filed.

The appropriate state agency shall not remit any part of a penalty for delinquent payment where the delinquency results from the fact that a check given in payment is not honored because of insufficient funds in the account upon which the check was drawn. However, if it appears as a result of an investigation or from a preponderance of the evidence adduced at a hearing that there has been a deliberate attempt on the part of a licensee or other person to evade payment of fuel taxes there shall be added to the assessment against the offending person and collected a penalty of fifty percent of the tax due. ~~When penalties are applicable for failure to file a return and failure to pay the tax due or required on the return, the penalty provision for failure to file is~~

~~in lieu of the penalty for failure to pay the tax due or required on the return, except in the case of a deliberate attempt on the part of the licensee or other person to evade payment of fuel taxes. Any report required of licensees or persons operating under divisions I, II and III, upon which no tax may be due, is subject to a penalty of ten dollars if the report is not timely filed with the appropriate state agency.~~

Sec. 4. Section 422.16, subsection 10, paragraph b, Code Supplement 1983, is amended to read as follows:

b. ~~An employer or withholding agent required to withhold taxes on wages or other taxable Iowa income subject to this chapter who fails to file a semimonthly, monthly, or quarterly deposit form for the withholding of tax with the department on or before the due date, unless it is shown that the failure was due to reasonable cause, is subject to a penalty determined by adding to the amount required to be shown as tax due on the semimonthly, monthly, or quarterly deposit form five percent of the amount of the tax if the failure is for not more than one month, with an additional five percent for each additional month or fraction of a month during which the failure continues, not exceeding twenty five percent in the aggregate.~~

If any person or withholding agent fails to remit at least ninety percent of the tax due with the filing of the semimonthly, monthly, or quarterly deposit form on or before the due date, or pays less than ninety percent of any tax required to be shown on the semimonthly, monthly, or quarterly deposit form, ~~unless it is shown that the failure was due to reasonable cause, there shall be added to the tax a penalty of five ten percent of the amount of the tax due, if the failure is for not more than one month, with an additional five percent for each additional month or fraction of a month during which the failure continues, not exceeding twenty five percent in the aggregate.~~

~~When penalties are applicable for failure to file a semimonthly, monthly, or quarterly deposit form and failure to pay the tax due or required on the semimonthly, monthly, or quarterly deposit form, the penalty provision for failure to file is in lieu of the penalty provision for failure to pay the tax due or required on the semimonthly, monthly, or quarterly deposit form.~~ In the case of willful failure to file a semimonthly, monthly, or quarterly deposit form with intent to evade tax or willful filing of a false semimonthly, monthly, or quarterly deposit form with intent to evade tax, in lieu of the penalty otherwise provided in this paragraph, there is added to the amount required to be shown as tax on the semimonthly, monthly, or quarterly deposit form, fifty percent of the amount of the tax. The taxpayer shall also pay interest on the tax or additional tax at the rate in effect under section 421.7, for each month counting each fraction of a month as an entire month, computed from the date the semimonthly, monthly, or quarterly deposit form was required to be filed. The penalty and interest become a part of the tax due from the withholding agent. The penalty imposed under this subsection is not subject to waiver.

Sec. 5. Section 422.25, subsection 2, Code Supplement 1983, is amended to read as follows:

2. In addition to the tax or additional tax determined by the department under subsection 1, the taxpayer shall pay interest on the tax or additional tax at the rate in effect under section 421.7 for each month counting each fraction of a month as an entire month, computed from the date the return was required to be filed. ~~In case of failure to file a return with the department on or before the due date determined with regard to any extension of time for filing, unless it is shown that the failure was due to reasonable cause and not due to willful neglect, there shall be added to the amount required to be shown as tax on the return five percent of the amount of the tax if the failure is for not more than one month, with an additional five percent for each~~

~~additional month or fraction thereof during which the failure continues, not exceeding twenty-five percent in the aggregate.~~ If any person fails to remit at least ninety percent of the tax due with the filing of the return on or before the due date, or pays less than ninety percent of any tax required to be shown on the return, ~~unless it is shown that the failure was due to reasonable cause,~~ there shall be added to the tax a penalty of five percent of the tax due, ~~if the failure is for not more than one month, with an additional five percent for each additional month or fraction of a month during which the failure continues, not exceeding twenty-five percent in the aggregate.~~ In case of willful failure to file a return with intent to evade tax, or in case of willfully filing a false return with intent to evade tax, in lieu of the penalty otherwise provided in this subsection, there shall be added to the amount required to be shown as tax on the return fifty percent of the amount of the tax. ~~When penalties are applicable for failure to file a return and failure to pay the tax due or required on the return, the penalty provision for failure to file is in lieu of the penalty provision for failure to pay the tax due or required on the return except in the case of willful failure to file a return and willfully filing of a false return with intent to evade tax.~~ The penalty imposed under this subsection is not subject to waiver.

Sec. 6. Section 422.58, subsection 1, Code Supplement 1983, is amended to read as follows:

1. ~~If a person fails to file a permit holder's semimonthly or monthly tax deposit form or a return with the department on or before the due date, unless it is shown that the failure was due to reasonable cause, there shall be added to the amount required to be shown as tax on the semimonthly or monthly tax deposit form or return five percent of the amount of the tax if the failure is for not more than one month, with an additional five percent for each additional month or fraction of a month during which the failure continues, not exceeding twenty-five percent in the aggregate.~~ If a

person or permit holder fails to remit at least ninety percent of the tax due with the filing of the semimonthly or monthly tax deposit form or return on or before the due date, or pays less than ninety percent of any tax required to be shown on the return, excepting the period between the completion of an examination of the books and records of a taxpayer and the giving of notice to the taxpayer that a tax or additional tax is due, there shall be added to the tax a penalty of five ~~ten~~ percent of the amount of the tax due, ~~if the failure is for not more than one month, with an additional five percent for each additional month or fraction of a month the failure continues, not exceeding twenty-five percent in the aggregate unless it is shown that the failure was due to reasonable cause.~~ In case of willful failure to file a semimonthly or monthly tax deposit form or return, willful filing of a false semimonthly or monthly tax deposit form or return or willful filing of a false or fraudulent semimonthly or monthly tax deposit form or return with intent to evade tax, in lieu of the penalty otherwise provided in this subsection, there shall be added to the amount required to be shown as tax on the semimonthly or monthly ~~tax~~ deposit form or return fifty percent of the amount of the tax. ~~When penalties are applicable for failure to file a semimonthly or monthly tax deposit form or return and failure to pay at least ninety percent of the tax due or required on the semimonthly or monthly tax deposit form or return, the penalty for failure to file is in lieu of the penalty for failure to pay at least ninety percent of the tax due or required on the semimonthly or monthly tax deposit form or return.~~ The taxpayer shall also pay interest on the tax or additional tax at the rate in effect under section 421.7 for each month counting each fraction of a month as an entire month, computed from the date the semimonthly or monthly tax deposit form or return was required to be filed. The penalty and interest shall be paid to the department and disposed of in the same manner as other receipts under this division. Unpaid penalties and interest may be

enforced in the same manner as the tax imposed by this division. The Penalty imposed under this subsection is not subject to waiver.

Sec. 7. Section 423.18, subsection 1, Code Supplement 1983, is amended to read as follows:

1. ~~If a person fails to file a monthly deposit form or a return with the department on or before the due date, unless it is shown that the failure was due to reasonable cause, there shall be added to the amount required to be shown as tax on the monthly deposit form or return five percent of the amount of the tax if the failure is for not more than one month, with an additional five percent for each additional month or fraction of a month during which the failure continues, not exceeding twenty-five percent in the aggregate.~~ If a person or permit holder fails to remit at least ninety percent of the tax due with the filing of the monthly deposit form or return on or before the due date, or pays less than ninety percent of any tax required to be shown on the monthly deposit form or return, excepting the period between the completion of an examination of the books and records of a taxpayer and the giving of notice to the taxpayer that a tax or additional tax is due, there shall be added to the tax a penalty of five percent of the tax due, ~~if the failure is for not more than one month, with an additional five percent for each additional month or fraction of a month during which the failure continues, not exceeding twenty-five percent in the aggregate, unless it is shown that the failure was due to reasonable cause.~~ For tax due under section 423.9, the penalty shall be ten percent. In case of willful failure to file a monthly deposit form or return, willfully filing a false monthly deposit form or return, or willfully filing a false or fraudulent monthly deposit form or return with intent to evade tax, in lieu of the penalty otherwise provided in this subsection, there shall be added to the amount required to be shown as tax on the monthly deposit form or return fifty percent of the amount of the tax. ~~When penalties are~~

~~applicable for failure to file a monthly deposit form or return and failure to pay at least ninety percent of the tax due or required on the monthly deposit form or return, the penalty for failure to file is in lieu of the penalty for failure to pay at least ninety percent of the tax due or required on the monthly deposit form or return.~~ The taxpayer shall also pay interest on the tax or additional tax at the rate in effect under section 421.7, for each month counting each fraction of a month as an entire month, computed from the date the monthly deposit form or return was required to be filed. The penalty and interest shall be paid to the department and disposed of in the same manner as other receipts under this chapter. Unpaid penalties and interest may be collected in the same manner as the tax imposed by this chapter. The penalty imposed under this subsection is not subject to waiver.

Sec. 8. Section 435.5, Code 1983, is amended to read as follows:

435.5 PENALTY. ~~in case of failure to file a return with the department on or before the due date, unless it is shown that the failure was due to reasonable cause and not due to willful neglect, there shall be added to the amount required to be shown as tax on the return five percent of the amount of tax if the failure is for not more than one month, with an additional five percent for each additional month or fraction thereof during which the failure continues, not exceeding twenty five percent in the aggregate.~~ If any person fails to remit at least ninety percent of the tax due with the filing of the return on or before the due date, or pays less than ninety percent of the total amount of the tax due as shown on the return, ~~unless it is shown that the failure was due to reasonable cause,~~ there shall be added to the tax a penalty of five percent of the tax due, ~~if the failure is for not more than one month, with an additional five percent for each additional month or fraction of a month during which the failure continues, not exceeding twenty five percent in~~

the aggregate. In case of willful failure to file a return with intent to evade tax, or in case of willfully filing a false return with intent to evade tax, in lieu of the penalty above provided, there shall be added to the amount required to be shown as tax on the return fifty percent of the amount of the tax. ~~When penalties are applicable for failure to file a return and failure to pay the tax due or required on the return, the penalty provision for failure to file is in lieu of the penalty provision for failure to pay the tax due or required on the return except in the case of willful failure to file a return and willfully filing of a false return with intent to evade tax.~~ The penalty imposed under this section is not subject to waiver.

Sec. 9. Section 450.63, subsection 2, Code 1983, is amended to read as follows:

2. If a person liable for the payment of tax as stated in section 450.5 fails to ~~file a return with the department of revenue on or before the due date, unless it is shown that the failure was due to reasonable cause, there shall be added to the amount of tax required to be shown as tax due on the return five percent of the amount of the tax, if the failure is for not more than one month, with an additional five percent for each additional month or fraction of a month during which the failure continues, not exceeding twenty five percent in the aggregate.~~ ~~if a person fails to~~ remit at least ninety percent of the tax due with the filing of the return on or before the due date or pays less than ninety percent of any tax required to be shown on the return, ~~unless it is shown that the failure was due to reasonable cause,~~ there shall be added to the tax a penalty of five percent of the amount of the tax due, ~~if the failure is for not more than one month, with an additional five percent for each additional month or fraction of a month during which the failure continues, not exceeding twenty five percent in the aggregate.~~ ~~When penalties are applicable for failure to file a return and failure to pay the tax due or required to be shown on the~~

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~~return, -the-penalty-provision-for-failure-to-file-is-in-lieu
of-the-penalty-provision-for-failure-to-pay-the-tax-due-or
required-to-be-shown-on-the-return.~~ The penalty imposed under
this subsection is not subject to waiver.

Sec. 10. This Act takes effect January 1 following enactment for taxes due and payable on or after that date.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House **File** 2507, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

AN ACT

RELATING TO THE DEFINITION **AND** TAXATION OF REAL PROPERTY
WITHIN A SELF-SUPPORTED MUNICIPAL IMPROVEMENT DISTRICT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 386.1, subsection 7, Code 1983, is amended to read as follows:

7. "Property" means real property as defined in section 4.1, subsection 8, and in section 427A.1, subsection 1, paragraph "h".

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2510, Seventieth General Assembly..

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

c. Prosecuting intern program; however, counties participating in the prosecuting intern program shall match funds appropriated by this paragraph \$ 52,500

4. CAPITOL PLANNING COMMISSION

For per diem of forty dollars per day and expenses of the members in carrying out their duties under chapter 18A \$ 3,062

5. OFFICE OF CITIZENS' AIDE

For salaries, support, maintenance, and miscellaneous purposes \$ 228,770

6. COUNCIL ON STATE GOVERNMENTS

For support of the membership assessment \$ 44,600

7. EXECUTIVE COUNCIL

For salaries, support, maintenance, and miscellaneous purposes \$ 28,985

Sec. 2. DEPARTMENT OF JUSTICE--CONTINGENT APPROPRIATION.

1. In addition to the funds appropriated under section 1, subsection 3 of this Act, there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 1984, and ending June 30, 1985, an amount not exceeding ninety-five thousand (95,000) dollars to be used for the enforcement of the Iowa competition law under chapter 553. The expenditure of the funds appropriated under this subsection is contingent upon receipt by the general fund of the state of an amount at least equal to either the expenditures from damages awarded to the state or a political subdivision of the state by a civil judgment

under chapter 553, if the judgment authorizes the use of the award for enforcement purposes or costs or attorney fees awarded the state in state or federal antitrust actions.

2. In addition to the funds appropriated under section 1, subsection 3 of this Act, there is appropriated from the general fund of the state to the department of justice for the fiscal year beginning July 1, 1984, and ending June 30, 1985, an amount not exceeding thirty thousand (30,000) dollars to be used for public education relating to consumer fraud. The expenditure of the funds appropriated under this subsection is contingent upon receipt by the general fund of the state of an amount at least equal to the expenditures from damages awarded to the state or a political subdivision of the state by a civil consumer fraud judgment, if the judgment authorizes the use of the award for public education on consumer fraud. Funds received in a previous fiscal year which have not been expended shall be credited to this fiscal year.

Sec. 3. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1984-1985
Fiscal Year

1. GENERAL OPERATIONS

For salaries, support, maintenance, and miscellaneous purposes \$ 4,264,482

The state comptroller, through the office of the inspector general, shall assist state agencies in identifying and implementing efficiency and cost-effectiveness measures, as recommended by the governor's task force on efficiencies and cost-effectiveness. Notwithstanding any conflicting provisions of chapter 8, the state comptroller may make the first two quarterly allocations to the department of general services

HOUSE FILE 2516

AN ACT

TO PROVIDE FUNDING FOR THE REMOVAL OR ENCAPSULATION OF ASBESTOS BY SCHOOL DISTRICTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 279.43 OPTIONAL FUNDING OF ASBESTOS REMOVAL OR ENCAPSULATION.

1. The board of directors may pay the actual cost of removal or encapsulation of asbestos existing in its school buildings from any funds in the general fund of the district, funds received from the schoolhouse tax authorized under section 278.1, subsection 7. or funds from the tax levy certified under section 297.5.

2. The board of directors may also submit a proposal to the qualified electors of the school district at a regular school election held in September, 1984 or at a special election held not later than February 15, 1985, to authorize an additional tax levy to pay the actual cost of an asbestos removal or encapsulation project.

3. The election proposal shall include the following two parts:

a. Shall a tax levy be certified for not more than three consecutive years to pay the actual costs of the asbestos removal or encapsulation project?

b. If a tax levy is authorized by the electorate, which of the following tax methods shall be used to pay for the project:

(1) A property tax sufficient to pay the actual costs of the project.

(2) A combination of an enrichment property tax and a school district income surtax certified and levied as provided in sections 442.14 through 442.20.

c. If a property tax levy is selected under paragraph "b", subparagraph (1), the levy shall be certified for not more than three consecutive years commencing not later than March 15, 1985 and ending not later than March 15, 1987.

d. If a combination of an enrichment property tax and a school district income surtax is selected, the amount of tax revenue raised shall not exceed the actual cost of the removal or encapsulation of the asbestos or the maximum amount which may be raised by the levy of the combination of the taxes for the three school years beginning July 1, 1985 and ending July 1, 1987 as determined under section 442.14, subsections 3 and 4, whichever amount is less.

4. If a majority of the qualified electors voting for and against the tax authorization proposed under subsection 3, paragraph "a", favor the certification of a tax levy, the tax method receiving the largest number of votes under subsection 3, paragraph "b", shall be used to pay the actual costs of the removal or encapsulation project.

5. The taxes certified for levy under this section are in addition to any other taxes or additional enrichment amount raised for other programs as provided by law.

6. Nothing in sections 442.14 through 442.20 or this section shall be construed to require more than one favorable election to authorize the use of a property tax or the combination of an enrichment property tax and a school district income surtax to pay the actual cost of an asbestos removal or encapsulation project under this section.

Sec. 2. Section 442.5, subsection 1, paragraph b, Code 1983, is amended by adding the following new subparagraph:

H.F. 2516

NEW SUBPARAGRAPH. Asbestos removal or encapsulation under section 279.43.

DONALD D. AVENSON
Speaker of the House

CHARLES P. MILLER
President Pro Tempore of the
Senate

I hereby certify that this bill originated in the House and is known as House File 2516, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

HOUSE FILE 2518

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO VARIOUS EXECUTIVE, LEGISLATIVE AND JUDICIAL DEPARTMENTS AND AGENCIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. There is appropriated from the general fund of the state for the fiscal yeas beginning July 1, 1984, and ending June 30, 1985, to the following named agencies, the following amounts, or so much thereof as necessary, to be used for the purposes designated:

	1984-1985 <u>Fiscal Year</u>
1. OFFICE OF ADMINISTRATIVE RULES COORDINATOR	
For salaries, support, maintenance, and miscellaneous purposes	\$ 59,216
2. IOWA STATE ARTS COUNCIL	
For salaries, support, maintenance, and miscellaneous	

purposes including funds to match federal grants	\$ 473,473
3. DEPARTMENT OF JUSTICE	
a. For the general office of attorney general for salaries, support, maintenance, and miscellaneous purposes	\$ 2,732,074
b. Prosecuting attorney training program	
(1) For salaries, support, maintenance, and miscellaneous purposes which funds shall be used to attract federal and county funding	\$ 81,408
(2) For the payment of grants to dispute resolution programs	\$ 75,000

The funds appropriated under Subparagraph (2) shall be used for grants to dispute resolution programs funded pursuant to 1983 Iowa Acts, chapter 204, section 1, paragraph h. A program administrator awarded funding for a dispute resolution program by the court administrator of the judicial department for the fiscal year beginning July 1, 1983, may submit an application to the executive director for funding for the fiscal year beginning July 1, 1984, on forms prescribed and furnished by the executive director. The executive director with the advice of the prosecuting attorneys training coordinator council shall allocate the funds to the dispute resolution programs that provide nonjudicial resolution of disputes at the community or county level. At least twenty-five percent of the amount budgeted for the annual operation of an existing dispute resolution program or that portion of a dispute resolution program which is improved or expanded shall be obtained from sources other than the grant provided under this subparagraph.

as if the amount appropriated in this subsection contained seven hundred thousand dollars more than actually specified, and the state comptroller may reduce the last two quarterly allocations in order to offset the first two quarterly allocations. The state comptroller may reduce quarterly allocations of funds appropriated to other agencies to reflect savings made as a result of implementing recommendations of the governor's task force on efficiencies and cost-effectiveness. Not more than seven hundred thousand dollars of the savings resulting from implementing the recommendations may be transferred by the state comptroller to the department of general services to be used for the purposes provided in this subsection.

2. FORMS MANAGEMENT

For a forms management program \$ 75,000

3. UTILITY COSTS

For payment of utility costs \$ 2,140,000

The department of general services may use funds appropriated under this subsection to fund energy conservation projects in the capitol complex which will have a one hundred percent payback within the fiscal year in which the funds are appropriated.

4. RENTAL SPACE

For payment of lease or rental costs of buildings and office space at the seat of government as provided in section 18.12, subsection 9, notwithstanding section 18.16 \$ 968,082

Sec. 4. There is appropriated from the revolving funds designated to the department of general services for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the following amounts, or so much thereof as necessary, to be used for the purposes designated:

1984-1985
Fiscal Year

DEPARTMENT OF GENERAL SERVICES--REVOLVING FUNDS

1. From the centralized printing permanent revolving fund established by section 18.57 for salaries, support, maintenance, and miscellaneous purposes \$ 720,052

2. The remainder of the centralized printing permanent revolving fund is appropriated for the expense incurred in supplying paper stock, offset printing, copy preparation, binding, distribution costs, original payment of printing and binding claims and contingencies arising during the fiscal year beginning July 1, 1984 which are legally payable from this fund.

3. From the general service revolving fund established by section 18.9 for salaries, support, maintenance, and miscellaneous purposes \$ 467,647

4. The remainder of the general service revolving fund is appropriated for the payment of expenses incurred through purchases by various state departments and for contingencies arising during the fiscal year beginning July 1, 1984 which are legally payable from this fund.

5. From the vehicle dispatcher revolving fund established by section 18.119 for salaries, support, maintenance, and miscellaneous purposes \$ 457,017

6. The remainder of the vehicle dispatcher revolving fund is appropriated for the purchase of gasoline, oil, tires, repairs and all other maintenance expenses incurred in the operation of state-owned motor vehicles and for contingencies arising during the fiscal year beginning July 1, 1904 which are legally payable from this fund.

7. A contingency shall not include any purpose or project which was presented to the general assembly or any standing committee or subcommittee of a standing committee by any person by way of a bill, proposed bill, amendment to a bill, written document, or a proposal which is documented by the minutes, records, or reports of a committee or subcommittee, and which failed to be enacted into law. For the purpose of this Act a necessity of additional operating funds may be construed as a contingency.

Before any of the funds authorized to be expended by this Act shall be allocated for contingencies, it shall be determined by the executive council that a contingency exists and that the contingency was neither existent while the general assembly was in session nor reasonably foreseeable at that time, and that the proposed allocation shall be for the best interest of the state.

If a contingency arises or could reasonably be foreseen during the time the general assembly is in session, expenditures for the contingency must be authorized by the general assembly.

Sec. 5. There is appropriated from the general fund of the state to the office of the governor for the fiscal year commencing July 1, 1984, and ending June 30, 1985, the following amounts or so much thereof as is necessary, to be used for the purposes designated:

1984-1985
Fiscal Year

1. For salaries, support, maintenance, and miscellaneous

purposes of the general office of the governor	\$ 648,000
2. For the governor's expenses connected with office	\$ 5,832
3. For salaries, support, and miscellaneous purposes of the governor's quarters at Terrace Hill	\$ 56,396

4. For the payment of expenses of ad hoc committees, councils and task forces appointed by the governor to research and analyze a particular subject area relevant to the problems and responsibilities of state and local government, including the employment of professional, technical and administrative staff and the payment of per diem, not exceeding forty dollars, and actual expenses of committee, council or task force members	\$ 24,300
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Sec. 6. There is appropriated from the general fund of the state to the office of the lieutenant governor for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the following amount, or so much thereof as necessary, to be used for the purposes designated:

1984-1985
Fiscal Year

For salaries, support, maintenance, and miscellaneous purposes including the lieutenant governor's compensation and expenses as provided in sub-

section 2 of section 2.10 including service as a member of the legislative council and for per diem and expenses incurred while performing duties of the lieutenant governor when the general assembly is not in session \$ 97,700

Sec. 7. There is appropriated from the general fund of the state to the Iowa state historical department for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the following amounts, or so much thereof as necessary, to be used for the purposes designated:

1984-1985
Fiscal Year

1. For salaries, support, maintenance, and miscellaneous purposes \$ 1,309,886

2. For the state historical board for per diem and expenses \$ 7,691

Sec. 8. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the following named judicial department agencies, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1984-1985
Fiscal Year

1. COURTS

For salaries of supreme court justices, appellate court judges, district court judges, district associate judges, judicial magistrates, and staff, maintenance, equipment, and miscellaneous pur-

poses \$11,741,199

2. BOARDS AND COMMISSION--
JUDICIAL DEPARTMENT

For salaries, support, maintenance, and miscellaneous purposes of the board of law examiners and board of examiners of shorthand reporters and judicial qualifications commission \$ 56,124

3. DISTRICT COURT
ADMINISTRATORS

For salaries, support, maintenance, and miscellaneous purposes \$ 1,489,555

4. JUDICIAL REORGANIZATION

For the payment of costs related to the court reorganization as provided in section 602.11101, Code Supplement 1983, and as provided in sections 14, 15 and 16 of this Act \$ 8,310,000

It is the intent of the general assembly that the counties be aware that the state may delay the schedule of state assumption of responsibility for the fiscal year beginning July 1, 1985. If the state is unable to fully assume the 1985-1986 fiscal year component of the court system, the chairpersons of the house and senate committees on appropriations shall notify the supreme court and the counties of this possible delay by no later than February 15, 1985.

5. JUDICIAL REORGANIZATION--
ADMINISTRATIVE IMPLEMENTATION

For salaries and support within the state and district court administrator's offices for the implementation of court reorganization \$ 101,495

6. ADMINISTRATION

For salaries, support, maintenance, equipment, and miscellaneous purposes of the court administrator, and clerk of the supreme court \$ 765,182

Sec. 9. Notwithstanding section 8.33, the unencumbered and unobligated funds appropriated by 1983 Iowa Acts, chapter 204, section 1, paragraph "e", shall not revert to the general fund of the state until June 30, 1985 and shall continue to be available for the purposes appropriated until that date.

Sec. 10. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, except as otherwise provided, to the following named agencies, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1984-1985
Fiscal Year

1. BUREAU OF LABOR

For salaries, support, maintenance, and miscellaneous purposes \$ 1,484,482

2. LEGISLATIVE FISCAL

BUREAU

For salaries, support, maintenance, and miscellaneous purposes \$ 540,545

3. LEGISLATIVE SERVICE

BUREAU

a. For salaries, support, maintenance, and miscellaneous purposes \$ 1,008,784

b. For drafting, research, and Code data processing pro-

grams and services \$ 14,580

4. NATIONAL CONFERENCE OF STATE LEGISLATURES

For support of the membership assessment \$ 40,085

5. IOWA LIBRARY DEPARTMENT

a. For the state library for salaries, support, maintenance, and miscellaneous purposes \$ 1,005,076

b. For state aid for the regional library system \$ 1,338,635

6. IOWA MERIT EMPLOYMENT DEPARTMENT

For the general office for salaries, maintenance, and miscellaneous purposes \$ 1,428,460

7. PIONEER LAWMAKERS \$ 729

8. OFFICE FOR PLANNING AND PROGRAMMING

a. Iowa highway safety program

For salaries, support, maintenance, and miscellaneous purposes to provide a cost-effective traffic safety program through the administration of federal highway safety contracts to state and local governmental agencies \$ 78,312

b. Youth services administration

For salaries, support, maintenance, and miscellaneous purposes to develop and administer employment opportunity programs for the youth \$ 78,759

c. General operating account

For salaries, support, mainte-

nance. and miscellaneous purposes
to provide overall direction,
planning, and administrative support
to local, state, and federal programs \$ 542,195

d. Economic analysis and plan-
ning assistance
For salaries, support, mainte-
nance, and miscellaneous purposes \$ 162,670

e. Iowa council for children
For salaries, support, mainte-
nance, and miscellaneous purposes
of only the Iowa council for child-
ren notwithstanding section 8.39 \$ 64,147

f. statistical analysis center
For salaries, support, mainte-
nance, and miscellaneous purposes \$ 175,478

It is a condition of this appropriation that the center
have a respected criminal justice authority independently
validate the center's risk assessment model.

g. Iowa youth corps
For salaries, support, mainte-
nance, and miscellaneous purposes \$ 874,800

h. Community development
block grant administration and
related federal housing and ur-
ban development community de-
velopment grant administration
For salaries, support,
maintenance, and miscellaneous
purposes \$ 101,424

i. Community development loan
fund
For deposit into the community
development loan fund \$ 1,500,000

j. Cultural community grants

For the purposes of the cultural
community grants program established
under 1983 Iowa Acts, chapter 207,
section 92 \$ 300,000

Notwithstanding section 8.33. the unencumbered or
unobligated balance remaining as of June 30, 1984, of the
appropriation made under 1983 Iowa Acts, chapter 207, section
92 may be used to fund grants to cities and community groups
for the development of community programs that would provide
local jobs for Iowa residents and promote a city's historical,
ethnic, and cultural heritages as provided in 1983 Iowa Acts,
chapter 207, section 92 through December 31, 1984. The
unencumbered or unobligated balance of the funds appropriated
under 1983 Iowa Acts, chapter 207, section 92 which remain
after December 31, 1984, shall revert to the general fund
of the state on January 1, 1985.

However, if Senate File 2225 becomes law, this appropriation
is void.

k. Job training partnership
act: dislocated worker

For salaries, support,
maintenance, and miscellaneous
purposes to develop and admin-
ister the job training part-
nership act \$ 1,063,600

1. If House File 2189 becomes law, the funds appropriated
or allocated under this subsection to the Iowa council for
children and families and the Iowa youth council shall be
transferred to the commission on children, youth and
families, notwithstanding any contrary provision in the
appropriation.

9. IOWA ACADEMY OF SCIENCE
For support and maintenance \$ 60,400

10. COMMISSION ON UNIFORM
STATE LAWS

For support of the commis-
sion and expenses of members \$ 10,490

11. TERRACE HILL AUTHORITY

For salaries, support, main-
tenance, and miscellaneous pur-
poses for the operation of
Terrace Hill and for conducting
public tours \$ 146,278

12. CRIMINAL AND JUVENILE
JUSTICE PLANNING AGENCY

For salaries, support,
maintenance, and miscellaneous
purposes related to the operations
of the criminal and juvenile
justice planning agency which is
a separate independent agency
within the office of the governor,
under the direct supervision of the
governor, and responsible only to
the governor or the general assembly
as provided in chapter 80C:

- a. Criminal justice planning \$ 186,911
- b. Juvenile justice planning \$ 52,793
- c. Juvenile victim
restitution program \$ 121,500
- d. Jailer training, and
technical assistance \$ 34,000

Sec. 11. All federal grants to and the federal receipts
of the agencies appropriated funds under this Act, not
otherwise appropriated, are appropriated for the purposes
set forth in the federal grants or receipts unless otherwise
provided by the general assembly.

Sec. 12. Section 10.6, subsection 1, Code 1983, is amended
to read as follows:

1. All items-purchased equipment, supplies, or services
procured by the department shall be purchased by a competitive
bidding procedure. However, the director may exempt by
regulation purchases of noncompetitive items and purchases
in lots or quantities too small to be effectively purchased
by competitive bidding. Preference shall be given to
purchasing Iowa products and purchases from Iowa based
businesses if the bids submitted therefor are comparable in
price to bids submitted by out-of-state businesses and
otherwise meet the required specifications. If the laws of
another state mandate a percentage preference for businesses
or products from that state and the effect of the preference
is that bids of Iowa businesses or products that are otherwise
low and responsive are not selected in the other state, the
same percentage preference shall be applied to Iowa businesses
and products when businesses or products from that other state
are bid to supply Iowa requirements.

Sec. 13. Section 18.97. Code Supplement 1983, is amended
to read as follows:

18.97 CODE, SESSION LAWS, COURT RULES. ADMINISTRATIVE
RULES AND STATE ROSTER. The superintendent of printing shall
make free distribution of the Code, supplements to the Code,
rules of civil procedure, rules of appellate procedure, rules
of criminal procedure, supreme court rules, the Acts of each
general assembly, and, upon request, the Iowa administrative
code, its supplements, the Iowa administrative bulletin and
the state roster pamphlet as follows:

- 1. To state law library for exchange
purposes ~~100~~ 65 copies
- 2. To law library of state University of Iowa for exchange
purposes ~~75~~ 60 copies
- 3. To state historical department 5 2 copies
- 4. To state historical society 5 2 copies
- 5. To each judge of the supreme court, the court of appeals
and the district court, two copies; and to each district asso-

- ciate judge and each judicial magistrate 1 COPY
- 6. To each judge of the federal courts in Iowa 1 copy
- 7. To the clerk of the supreme court of Iowa 1 COPY
- 8. To the clerk of each federal court in Iowa 1 COPY
- 9. To each state institution under the control of the department of corrections, the state board of regents or the state department of human services 1 COPY
- 10. To each elective state officer 2 copies
- 11. To the separate departments of principal state offices and each major subdivision thereof 1 COPY
- 12. To each member of the present and subsequent general assemblies 1 COPY
- 13. To chief clerk of the house 1 copy
- 14. To secretary of the senate 1 copy
- 15. To the chief clerk of the house and secretary of the senate such number as may be required by the house and senate.
- 16. To the following offices such number of copies as will enable them to perform the duties of their respective offices.
 - a. Code editor.
 - b. Attorney general.
 - c. Legislative service bureau.
 - d. Legislative fiscal bureau.
 - e. State court administrator.
 - f. Each district court administrator.
- 17. To the clerk of the district court and each separate office of the clerk, the county attorney, the county auditor, the county recorder, county and city assessor, the county treasurer, the sheriff and each separate office of a sheriff, the public defender's office, and the administrator of each area education agency in the state and also for use in each courtroom of the district court 1 COPY
- 18. To the library of the United States supreme court ..
..... 1 COPY
- 19. To the depository library center established pursuant

to section 303A.22 ~~75 copies~~ 1 copy for each depository library

- ~~19--To library of the United States department of justice~~
.....~~1 copy~~
- ~~20--To library of the judge advocate general, United States department of defense~~.....~~1 copy~~
- ~~21--To library of the United States department of agriculture~~.....~~1 copy~~
- ~~22--To library of the United States department of labor~~.....~~1 copy~~
- ~~23--To legal staff, office of public debt, United States treasury department~~.....~~1 copy~~
- ~~24--To library of the United States department of state~~.....~~1 copy~~
- ~~25--To law library of the United States department of the interior~~.....~~1 copy~~
- ~~26--To library of the United States department of internal revenue~~.....~~1 copy~~
- 27 20. To each member of the Iowa congressional delegation 1 copy
- ~~28~~ 21. To each board of supervisors for each county 1 copy
- ~~29~~ 22. To each juvenile referee 1 copy

In the case of copies of the free documents provided in this section to libraries, the superintendent of printing may provide microfiche copies in lieu of bound copies and may provide more copies than indicated in this section if the additional copies are microfiche copies.

Each office, agency, or person receiving a free copy of a document under this section shall receive only the number of copies indicated free at the time of initial distribution and if a replacement document is necessary, it shall be provided only after payment of the normal subscription charge for such document.

Sec. 14. Section 602.1303, subsection 7, Code Supplement 1983, is amended to read as follows:

7. A county or city shall pay the costs of its witnesses, depositions, and transcripts and the court fees and costs provided by law in criminal actions prosecuted by that county or city. A county or city shall pay witness fees and mileage in trials of criminal actions prosecuted by the county or city under county or city ordinance.

Sec. 15. Section 602.11101, subsection 1, Code Supplement 1983, is amended to read as follows:

1. On October 1, 1983 the state shall assume the responsibility for and the costs of jury ~~and witness~~ fees and mileage as provided in section 607.5 and on July 1, 1904 the state shall assume the responsibility for and the costs of prosecution witness fees and mileage and other witness fees and mileage assessed against the prosecution in criminal actions prosecuted under state law as provided in sections 607.5, 622.69, and 622.72, except as provided in section 331.506, subsection 2.

Sec. 16. Section 815.13, Code Supplement 1983, is amended to read as follows:

U15.13 PAYMENT OF PROSECUTION COSTS. The county or city ~~that prosecutes~~ which has the duty to prosecute a criminal action shall pay ~~the required fees and mileage to witnesses called on behalf of the prosecution,~~ the costs of depositions taken on behalf of the prosecution, the costs of transcripts requested by the prosecution, the fees that are payable to the clerk of the district court for services rendered, and court costs taxed in connection with the trial of the action or appeals from the judgment. The county or city shall pay witness fees and mileage in trials of criminal actions prosecuted by the county or city under county or city ordinance. Throe fees and costs are recoverable by the county or city from the defendant unless the defendant is found not guilty or the action is dismissed, in which case the state

~~shall pay the witness fees and mileage in cases prosecuted under state law. Expenditures of a county under this section may be paid out of the court expense fund in lieu of the county general fund.~~

Sec. 17. Section 602.11104, Code Supplement 1983, is repealed.

Sec. 18. An election made by a county employee under section 602.11104, Code Supplement 1983, during the thirty days prior to the effective date of this Act is void.

DONALD D. AVENSON
Speaker of the House

CHARLES P. MILLER
President Pro Tempore of the
Senate

I hereby certify that this bill originated in the House and is known as House File 2518, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

year beginning July 1, 1984 and ending June 30, 1985, the following amount, or so much thereof as may be necessary, to be used for the funding of the following programs for the purposes designated:

	<u>1984-1985</u> <u>Fiscal Year</u>
1. IOWA COLLEGE AID COMMISSION For salaries, support, main- tenance, and miscellaneous pur- poses	\$ 424,465
2. TUITION GRANT PROGRAM To supplement the appropriation provided in subsection 1 of section 261.25 for tuition grants to full- time resident students attending accredited private institutions of higher education in Iowa under sections 261.9 through 261.16	\$ 1,366,900
Sec. 3.	

1. There is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of seven hundred eighty-nine thousand two hundred sixty-four (789,264) dollars, or so much thereof as may be necessary, to be paid to the university of osteopathic medicine and health services for the subvention program created pursuant to sections 261.18 and 261.19. Notwithstanding section 261.19, for fiscal year beginning July 1, 1984, the subvention shall be used for the admission and education of students enrolled in each of the four years of classes in the college of osteopathic medicine and surgery.

2. In addition to the requirements of sections 261.18 and 261.19, the availability of funds appropriated by this section is subject to the condition that one-half of the funds appropriated for fiscal year 1984-1985 shall not be released

HOUSE FILE 2519

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO AGENCIES, INSTITUTIONS, COMMISSIONS, DEPARTMENTS, AND BOARDS RESPONSIBLE FOR EDUCATION PROGRAMS FOR THIS STATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. There is appropriated from the general fund of the state to the Iowa commission for the blind for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amount, or so much thereof as may be necessary, to be used by the following agency for the purposes designated:

1984-1985
Fiscal Year

IOWA COMMISSION FOR THE BLIND For salaries, support, main- tenance, and miscellaneous pur- poses	\$ 1,049,821
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Sec. 2. There is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal

Sec. 14. Section 602.1303, subsection 7, Code Supplement 1983, is amended to read as follows:

7. A county or city shall pay the costs of its ~~witnesses~~, depositions, and transcripts and the court fees and costs provided by law in criminal actions prosecuted by that county or city. A county or city shall pay witness fees and mileage in trials of criminal actions prosecuted by the county or city under county or city ordinance.

Sec. 15. Section 602.11101, subsection 1, Code Supplement 1983, is amended to read as follows:

1. On October 1, 1983 the state shall assume the responsibility for and the costs of jury ~~and-witness~~ fees and mileage as provided in section 607.5 and on July 1, 1904 the state shall assume the responsibility for and the costs of prosecution witness fees and mileage and other witness fees and mileage assessed against the prosecution in criminal actions prosecuted under state law as provided in sections 607.5, 622.69, and 622.72, except as provided in section 331.506, subsection 2.

Sec. 16. Section 015.13, Code Supplement 1903, is amended to read as follows:

015.13 PAYMENT OF PROSECUTION COSTS. The county or city ~~that prosecutes~~ which has the duty to prosecute a criminal action shall pay ~~the required fees and mileage to witnesses called on behalf of the prosecution,~~ the costs of depositions taken on behalf of the prosecution, the costs of transcripts requested by the prosecution, the fees that are payable to the clerk of the district court for services rendered, and court costs taxed in connection with the trial of the action or appeals from the judgment. The county or city shall pay witness fees and mileage in trials of criminal actions prosecuted by the county or city under county or city ordinance. Three fees and costs are recoverable by the county or city from the defendant unless the defendant is found not guilty or the action is dismissed, in which case the state

shall pay the witness fees and mileage in cases prosecuted under state law. ~~Expenditures of a county under this section may be paid out of the court expense fund in lieu of the county general fund.~~

Sec. 17. Section 602.11104, Code Supplement 1983, is repealed.

Sec. 18. An election made by a county employee under section 602.11104, Code Supplement 1983, during the thirty days prior to the effective date of this Act is void.

DONALD D. AVENSON
Speaker of the House

CHARLES P. MILLER
President Pro Tempore of the
Senate

I hereby certify that this bill originated in the House and is known as House File 2518, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

year beginning July 1, 1984 and ending June 30, 1985, the following amount, or so much thereof as may be necessary, to be used for the funding of the following programs for the purposes designated:

1984-1985
Fiscal Year

- 1. IOWA COLLEGE AID COMMISSION
For salaries, support, maintenance, and miscellaneous purposes \$ 424,465
- 2. TUITION GRANT PROGRAM
To supplement the appropriation provided in subsection 1 of section 261.25 for tuition grants to full-time resident students attending accredited private institutions of higher education in Iowa under sections 261.9 through 261.16 \$ 1,366,900

Sec. 3.

1. There is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of seven hundred eighty-nine thousand two hundred sixty-four (789,264) dollars, or so much thereof as may be necessary, to be paid to the university of osteopathic medicine and health services for the subvention program created pursuant to sections 261.18 and 261.19. Notwithstanding section 261.19, for fiscal year beginning July 1, 1984, the subvention shall be used for the admission and education of students enrolled in each of the four years of classes in the college of osteopathic medicine and surgery.

2. In addition to the requirements of sections 261.18 and 261.19, the availability of funds appropriated by this section is subject to the condition that one-half of the funds appropriated for fiscal year 1984-1985 shall not be released

H.F. 2519

HOUSE FILE 2519

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO AGENCIES, INSTITUTIONS, COMMISSIONS, DEPARTMENTS, AND BOARDS RESPONSIBLE FOR EDUCATION PROGRAMS FOR THIS STATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. There is appropriated from the general fund of the state to the Iowa commission for the blind for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amount, or so much thereof as may be necessary, to be used by the following agency for the purposes designated:

1984-1985
Fiscal Year

IOWA COMMISSION FOR THE BLIND
For salaries, support, maintenance, and miscellaneous purposes \$ 1,049,821

Sec. 2. There is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal



until delivery to the legislative fiscal bureau of the June 30, 1984, financial audits, conducted by an independent third party, of the university of osteopathic medicine and health services.

Src. 4. There is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the sum of twenty-four thousand three hundred (24,300) dollars, or so much thereof as may be necessary, to provide for a national guard education program. Funds shall only be expended for Iowa residents who are enlisted members in good standing in the Iowa national guard who are enrolled as undergraduates in Iowa postsecondary educational institutions. Funds expended on behalf of each full-time undergraduate student shall not exceed two hundred fifty dollars per year. Funds expended on behalf of each half-time undergraduate student shall not exceed one hundred twenty-five dollars per year.

Sec. 5. There is appropriated from the general fund of the state to the Iowa department of public broadcasting for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the following amount, or so much thereof as may be necessary, to be used by the following agency for the purposes designated:

	1984-1985
	Fiscal Year
IOWA DEPARTMENT OF PUBLIC BROADCASTING	
For salaries, support, maintenance, and miscellaneous purposes	\$ 6,156,717

Sec. 6. There is appropriated from the general fund of the state to the department of public instruction for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amounts, or so much thereof as may be necessary, to be used in the manner designated:

1984-1985
Fiscal Year

1. GENERAL OFFICE ADMINISTRATION	
a. For salaries, support, maintenance, and miscellaneous purposes	\$ 3,578,008
b. For fire service education	\$ 200,000
2. VOCATIONAL EDUCATION ADMINISTRATION	
For salaries, support, maintenance, and miscellaneous purposes	\$ 878,934
3. VOCATIONAL EDUCATION	
For vocational education aid to secondary schools	\$ 3,760,668
Funds appropriated by this subsection are to be used for aid to school districts for development and the conduct of both continuing and new vocational programs, services and activities of vocational education through secondary schools, and for aid to existing jointly administered secondary vocational education programs, in accordance with chapters 258 and 280A, to purchase instructional equipment for vocational and technical courses of instruction in such schools, and to match federal reimbursement for continuing and new secondary vocational programs.	
4. VOCATIONAL REHABILITATION	
For salaries, support, maintenance, and miscellaneous purposes	\$ 2,696,181
5. PROFESSIONAL TEACHING PRACTICES COMMISSION	
For the use of the professional teaching practices commission to carry out the provisions of chapter 272A	\$ 56,984
6. VOCATIONAL YOUTH ORGANI-	

ZATION FUND

To carry out the provisions of section 258.14 \$ 9,720

7. SCHOOL FOOD SERVICE

For the purpose of providing assistance to students enrolled in public school districts and nonpublic schools of the state for breakfasts, lunches and minimal equipment programs with the funds being used as state matching funds for federal programs and which shall be disbursed according to federal regulations \$ 3,207,600

8. TEXTBOOKS OF NONPUBLIC SCHOOL PUPILS

To provide funds for costs of providing textbooks to each resident pupil who attends a nonpublic school as authorized by section 301.1. Such funding shall be limited to ten dollars per pupil and shall not exceed the comparable services offered to resident public school pupils \$ 388,800

9. SCHOOL BUDGET REVIEW

COMMITTEE

To carry out the provisions of section 412.13 \$ 30,000

10. NON-ENGLISH SPEAKING

To provide funding to public schools and for nonpublic school students for special instruction for non-English speaking students

as provided in section 280.4 \$ 194,400

11. COMPUTER SOFTWARE CLEARING-HOUSE

To carry out the provisions of section 257.41 \$ 200,000

12. MERGED AREA SCHOOLS

a. For general state financial aid to merged areas as defined in section 280A.2 the amount of forty-one million three hundred twenty-nine thousand five hundred seventeen (41,329,517) dollars to be allocated as follows:

- (1) Merged Area I \$ 1,974,781
- (2) Merged Area II \$ 2,590,979
- (3) Merged Area III \$ 2,333,520
- (4) Merged Area IV \$ 889,463
- (5) Merged Area V \$ 3,014,365
- (6) Merged Area VI \$ 2,552,085
- (7) Merged Area VII \$ 2,969,603
- (8) Merged Area IX \$ 3,343,494
- (9) Merged Area X \$ 5,049,800
- (10) Merged Area XI \$ 6,179,520
- (11) Merged Area XII \$ 2,066,814
- (12) Merged Area XIII \$ 2,986,618
- (13) Merged Area XIV \$ 1,005,074
- (14) Merged Area XV \$ 2,440,631
- (15) Merged Area XVI \$ 1,932,770

b. To provide funds for matching federal reimbursement for continuing and new vocational education programs in merged area schools in accordance with chapter 258 and chapter 280A, and to purchase instructional equipment for voca-

tional and technical courses of instruction in such schools \$ 13,456,400

c. To provide funds for the Iowa industrial start-up training program in merged area schools \$ 75,000

Sec. 7.

1. There is appropriated from the general fund of the state to the department of public instruction for the fiscal year beginning July 1, 1985 and ending June 30, 1986, for general state financial aid to merged areas as defined in section 280A.2 the amount of thirteen million seven hundred seventy-six thousand five hundred seven (13,776,507) dollars, to be accrued as income and used for expenditures incurred by the area schools during the fiscal year beginning July 1, 1984 and ending June 30, 1985, to be allocated as follows:

- a. Merged Area I \$ 658,260
- b. Merged Area II \$ 863,660
- c. Merged Area III \$ 777,040
- d. Merged Area IV \$ 296,488
- e. Merged Area V \$ 1,004,788
- f. Merged Area VI \$ 850,695
- g. Merged Area VII \$ 989,068
- h. Merged Area IX \$ 1,114,498
- i. Merged Area X \$ 1,683,267
- j. Merged Area XI \$ 2,059,840
- k. Merged Area XII \$ 688,938
- l. Merged Area XIII \$ 995,539
- m. Merged Area XIV \$ 335,025
- n. Merged Area XV \$ 813,544
- o. Merged Area XVI \$ 644,257

2. Funds appropriated by this section shall be allocated pursuant to this section and paid on or about August 15, 1985.

Sec. 8. General state aid paid to area schools under section 6, subsection 11, paragraph "a", of this Act, for expenditures incurred during the fiscal year beginning July

1, 1984 and ending June 30, 1985, shall be paid by the state comptroller in installments due on or about November 15, February 15, and May 15 of the fiscal year. The payment received by area schools on or about August 15 under section 7 of this Act is an account receivable for the previous fiscal year. The installments shall be as nearly equal as possible as determined by the state comptroller, taking into consideration the relative budget and cash position of the state resources.

Sec. 9. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the following amounts, or so much thereof as may be necessary for use for the following designated purposes, however, as a condition for the appropriation of these funds, the state board of regents, for purposes of implementing and administering collective bargaining pursuant to chapter 20, shall act as the exclusive representative of the state of Iowa with respect to its faculty, scientific, and other professional staff.

1984-1985
Fiscal Year

1. OFFICE OF STATE BOARD OF REGENTS

a. For salaries, support, maintenance, equipment, and miscellaneous purposes, including state board of regents members receiving a per diem, not to exceed forty dollars per day \$ 433,343

Funds appropriated to the state board of regents shall be allocated to the institutions to be used for instructional purposes and direct instructional support.

b. For western Iowa continuing education \$ 102,060

c. For allocation by tie

state board of regents to the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa in amounts as may be necessary to reimburse the institutions for deficiencies in their operating funds resulting from the pledging of tuitions, student fees and charges and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions \$ 15,111,842

d. For support of the quad cities graduate study center \$ 7,582

2. STATE UNIVERSITY OF IOWA

a. General university, including lakeside laboratory.

For salaries, support, maintenance, equipment, and miscellaneous purposes and for the pediatric department of the college of medicine to continue to fund the program of research at the current level in the cause, course, treatment, cure, and management of diabetes mellitus \$104,122,153

It is the intent of the general assembly that funds appropriated in this paragraph not be used to pay for efforts of the prisoner assistance clinic at the university of Iowa law school to solicit participation in the clinic by inmates at state correctional facilities.

b. University hospitals

(1) For salaries, support, main-

tenance, equipment, and miscellaneous purposes; for medical and surgical treatment of indigent patients as provided in chapter 255 \$ 23,958,998

(2) For allocation by the dean of the college of medicine, with approval of the advisory board, to qualified participants, to carry out chapter 148C for the family practice program \$ 1,353,866

c. As a condition of the appropriation made in paragraph "b", funds appropriated in this section shall not be used to perform abortions except medically necessary abortions, and shall not be used to operate the early termination of pregnancy clinic except for the performance of medically necessary abortions. For the purpose of this paragraph, an abortion is the purposeful interruption of pregnancy with the intention other than to produce a live-born infant or to remove a dead fetus, and a medically necessary abortion is one performed under one of the following conditions:

(1) The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.

(2) The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.

(3) The pregnancy is the result of a rape which is reported within forty-five days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(4) The pregnancy is the result of incest which is reported within one hundred fifty days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

(5) The abortion is a spontaneous abortion, commonly known as a miscarriage, wherein not all of the products of conception are expelled.

d. As a condition of the appropriation made in paragraph "b", it is the intent of the general assembly that before the general assembly authorizes the issuance of additional bonds under chapter 263A, the determination of the necessity that the construction be funded by the issuance of bonds shall be made by the state board of regents in consultation with the state health facilities council, the health policy corporation of Iowa, or a similar statewide health planning agency that may exist.

e. Psychiatric hospital

For salaries, support, maintenance, equipment, and miscellaneous purposes and for the care, treatment and maintenance of committed and voluntary public patients \$ 5,182,049

f. State hygienic laboratory

For salaries, support, maintenance, equipment, and miscellaneous purposes \$ 2,027,713

g. Hospital school

For salaries, support, maintenance, equipment, and miscellaneous purposes \$ 3,631,894

h. Oakdale campus

For salaries, support, maintenance, equipment, and miscellaneous purposes \$ 1,708,232

3. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

a. General university

For salaries, support, maintenance, equipment, and miscellaneous purposes \$ 86,144,027

b. Agricultural experiment

station

For salaries, support, maintenance, equipment, and miscellaneous purposes \$ 10,151,529

c. Cooperative extension service in agriculture and home economics

For salaries, support, maintenance, and miscellaneous purposes \$ 9,658,897

d. Center for industrial research and service

For funding the small business development centers to provide assistance to small businesses and business groups in Iowa \$ 500,000

e. Funds appropriated in paragraph "d" are in addition to funds already available or appropriated to the center for industrial research and service for the fiscal year beginning July 1, 1984. Any decision regarding the dispersion of funds appropriated in paragraph "d" lies directly with the center for industrial research and service. Moneys appropriated in paragraph "d" will be used to meet matching requirements for available federal or private funds developed to provide assistance to small business and which will be administered by the center for industrial research and service in conjunction with the state funds appropriated for this purpose.

4. UNIVERSITY OF NORTHERN IOWA

For salaries, support, maintenance, equipment, and miscellaneous purposes \$ 33,900,569

5. STATE SCHOOL FOR THE DEAF

For salaries, support, maintenance, and miscellaneous pur-

poses \$ 4,241,428

6. IOWA BRAILLE AND SIGHT-SAVING SCHOOL

For salaries, support, maintenance, and miscellaneous pur-

poses \$ 2,272,611

Sec. 10. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of twenty-one million three hundred twenty-four thousand (21,324,000) dollars for fuel and electricity purposes at institutions under the state board of regents. If the amount actually expended for fuel and electricity purposes is less than twenty-one million three hundred twenty-four thousand (21,324,000) dollars, the difference may be used for maintenance purposes. If funds appropriated in this section are used for maintenance purposes, the state board of regents shall notify the chairpersons of the house and senate committees on appropriations in writing, listing the amounts expended for maintenance and the purposes for which the moneys were expended. Section 8.33 applies to funds appropriated in this section.

Sec. 11. As a condition of the appropriation in section 9, subsection 4, the collective bargaining representatives for the faculty at the university of northern Iowa and for the university of northern Iowa shall determine the distribution of funds contained in the vitality fund for the fiscal year beginning July 1, 1984. The distribution shall be either according to the contract in effect for the fiscal year beginning July 1, 1983 or according to a different procedure that is agreeable to both parties. However, the amount Of funds distributed shall not exceed the teaching faculty's share of funds contained in the vitality fund.

Sec. 12. The state board of regents is directed to expend not less than one hundred thousand (100,000)dollars of funds

received from the sale of negotiable revenue bonds under Senate Concurrent Resolution 13, by the Seventieth General Assembly, 1983 Session, and allocated by the state board of regents to the university of northern Iowa for communication arts center construction and equipment, for renovation of the old administration building at the university of northern Iowa. Other funds available to the state board of regents for construction and renovation purposes may be expended for renovation of the old administration building.

Sec. 13. 1983 Iowa Acts, chapter 195, section 17, is amended to read as follows:

SEC. 17. There is appropriated from the general fund of the state to the state comptroller for the fiscal year beginning July 1, 1983 and ending June 30, 1984, the sum of two hundred fifty thousand (250,000) dollars, or so much thereof as is necessary to pay costs for the purchase of fuel and electricity which exceed the amounts appropriated to the various state agencies, or allocated by the state board of regents to institutions under its control, from the general fund for the purchase of fuel and electricity. The funds or any portion of the funds shall not be allocated to a state agency, or institution under the control of the state board of regents, unless the state comptroller determines the agency's costs for the purchase of fuel and electricity exceed the amounts appropriated or allocated for the fiscal year beginning July 1, 1983 and the agency or institution is either developing an energy conservation plan in consultation with the energy policy council, or is implementing, or has implemented, an energy conservation plan which has been approved by the energy policy council and the state comptroller determines that other money is not available to the agency or institution for fuel or electricity purposes. However, not more than one hundred thousand (100,000)dollars of the funds appropriated in this section shall be used by the state comptroller to pay costs for the purchase of fuel and

electricity which exceed the amounts allocated by the state board of regents to institutions under its control for the purchase of fuel and electricity.

Sec. 14. Section 257.41, subsection 3, Code Supplement 1983, is amended by striking the subsection.

Sec. 15. Section 257.42, unnumbered paragraph 3, Code Supplement 1983, is amended to read as follows:

There is appropriated from the general fund of the state to the department of public instruction for the fiscal year beginning July 1, 1983 and each succeeding fiscal year, the sum of forty thousand dollars or as much thereof as is necessary, ~~and for the fiscal year beginning July 1, 1984 and each succeeding fiscal year, the sum of one hundred forty thousand dollars or as much thereof as is necessary,~~ to be allocated for the establishment of programs under this section.

Sec. 16. Section 261.12, subsection 1, paragraph b, Code Supplement 1983, is amended to read as follows:

b. For the fiscal year beginning July 1, 1983, ~~and each following fiscal year~~ two thousand one hundred dollars, and for the fiscal year beginning July 1, 1984 and for each following fiscal year, two thousand two hundred fifty dollars.

Sec. 17. Section 261.45, unnumbered paragraph 3, Code Supplement 1983, is amended to read as follows:

There is appropriated from the general fund of the state to the Iowa college aid commission, the sum of thirty thousand dollars, or as much thereof as is necessary, for the fiscal year years beginning July 1, 1983 and July 1, 1984, and the sum of sixty thousand dollars, or as much thereof as is necessary, for the fiscal year beginning July 1, ~~1984~~ 1985 and each succeeding fiscal year, to make the reimbursement payments required under this section.

Sec. 18. Section 261.53, Code Supplement 1983, is amended to read as follows:

261.53 APPROPRIATIONS. There is appropriated from the general fund of the state to the Iowa college aid commission

for the fiscal year years beginning July 1, 1983 and July 1, 1984, the sum of forty thousand dollars, or as much thereof as is necessary, and for each succeeding fiscal year, the sum of one hundred forty thousand dollars, or as much thereof as is necessary, to make loans under sections ~~261.28 and 261.29~~ 261.51 and 261.52.

Sec. 19. Section 285.2, unnumbered paragraph 4, Code 1983, is amended to read as follows:

Claims for reimbursement shall be made to the department of public instruction by the public school district providing transportation or transportation reimbursement during a school year on a form prescribed by the department, and the claim shall state the services provided and the actual costs incurred. A claim shall not exceed the average transportation costs of the district per pupil transported except as otherwise provided. If transportation is provided under section 285.1, subsection 3, the amount determined under paragraph "c" of that subsection shall be the amount of the claim regardless of the average transportation costs of the district per pupil transported. Claims shall be accompanied by an affidavit of an officer of the public school district affirming the accuracy of the claim. By February 1 and by July 15 of each year the department shall certify to the state comptroller the amounts of approved claims to be paid, and the state comptroller shall draw warrants payable to school districts which have established claims. Claims shall be allowed where practical, and at the option of the public school district of the pupil's residence, subject to approval by the area education agency of the pupil's residence, under ~~the provisions~~ of section 205.9, subsection 3, the public school district of the pupil's residence may transport any pupil to a school located in a contiguous public school district outside the boundary lines of the public school district of the pupil's residence. The public school district of the pupil's residence may contract with the contiguous public school district or

with a private contractor under ~~the provisions of~~ section 285.5 to transport the pupils to the school of attendance within the boundary lines of the contiguous public school district. The public school district in which the pupil resides may contract with the contiguous public school district or with a private contractor under ~~the provisions of~~ section 285.5 to transport the pupil from the pupil's residence or from designated school bus collection locations to the school located within the boundary lines of the contiguous public school district, subject to the approval of the area education agency of the pupil's residence. The public school district of the pupil's residence may utilize the reimbursement provisions of section 285.1, subsection 3.

Sec. 20. Section 442.44, unnumbered paragraph 4, Code Supplement 1983, is amended to read as follows:

For the school year beginning July 1, 1984 and each succeeding school year, there is appropriated from the general fund of the state to the state comptroller ~~an amount sufficient~~ the sum of two million one hundred thousand (2,100,000) dollars, or so much thereof as is necessary, to make the payments to school districts required by this section. If the funds appropriated are insufficient to make the payments required under this section, the state comptroller shall prorate the payments to school districts. Moneys received by a school district under this section are miscellaneous income. Moneys received by a school district for **pupils** enrolled in science and mathematics courses shall be used only for purchase of equipment and supplies.

Sec. 21. All federal grants to and the federal receipts of agencies appropriated funds under this Act are appropriated for the purposes set forth in such federal grants or receipts.

Sec. 22. This Act, being deemed of immediate importance, takes effect from and after its publication in The Record-Herald & Indianola Tribune, a newspaper published in Indianola, Iowa, and in the Ottumwa Courier, a newspaper published in

Ottumwa, Iowa. However, sections 1 through 12 and 14 through 21 of this Act take effect July 1, 1984. Section 13 takes effect upon publication.

DONALD D. AVENSON
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2519, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor



OFFICE OF THE GOVERNOR

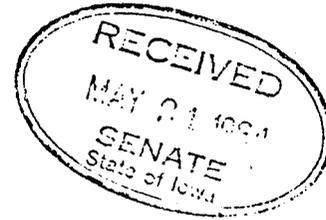
STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E. BRANSTAD
GOVERNOR

May 18, 1984



The Honorable Mary Jane Odell
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit House File 2519, an act relating to and making appropriations to agencies, institutions, commissions, departments, and boards responsible for education programs for the state.

House File 2519 is approved May 18, 1984, with the following exceptions which I hereby disapprove.

I am unable to approve the item designated in the act as Section 12, which reads as follows:

Sec. 12. The state board of regents is directed to expend not less than one hundred thousand (100,000) dollars of funds received from the sale of negotiable revenue bonds under Senate Concurrent Resolution 13, by the Seventieth General Assembly, 1983 Session, and allocated by the state board of regents to the university of northern Iowa for communication arts center construction and equipment, for renovation of the old administration building at the university of northern Iowa. Other funds available to the state board of regents for construction and renovation purposes may be expended for renovation of the old administration building.

Section 12 requires that the board of regents use \$100,000 of funds received from the sale of bonds authorized last year for the renovation of the **Old Administration** building at the University of Northern Iowa. Renovation of the Old Administration building was not included in the list of projects originally

Mary Jane Odell
May 18, 1984
Page Two

authorized by the bonding resolution, Senate Concurrent Resolution 13. All bonds for the Communication Arts Center have been issued. A diversion of revenue to the Old Administration remodeling project would violate the terms of the bond issuance agreement. Such violation could be construed **as** impairing the obligation of contract, which action is denied in Article I, Section 10 of the Constitution of the United States.

I am unable to approve the item designated in the act as Section 13, which reads **as** follows:

Sec. 13. 1983 Iowa Acts, chapter 195, section 17, is amended to read as follows:

SEC. 17. There **is** appropriated from the general fund of the state to the state comptroller **for** the fiscal year beginning July 1, 1983 and ending June 30, 1984, the **sum** of two hundred fifty thousand (250,000) dollars, or so much thereof as is necessary to pay costs for the purchase of fuel and electricity which exceed the amounts appropriated to the various state agencies, or allocated by the state board of regents to institutions under its control, from the general fund for the purchase of fuel and electricity. The funds or any portion of the funds shall not be allocated to a state agency, or institution under the control of the state board of regents, unless the state comptroller determines the ~~agency's~~ costs for the purchase of fuel and electricity exceed the amounts appropriated or allocated **for** the fiscal year beginning July 1, 1983 and the agency or institution is either developing an energy conservation plan in consultation with the energy policy council, or is implementing, or has implemented, an energy conservation plan which has been approved by the energy policy council **and** the state comptroller determines that other money is not available to the agency or institution for fuel or electricity purposes. However, not more than one hundred thousand (100,000) dollars of the funds appropriated in this section shall be used by the state comptroller to pay costs for the purchase of fuel and electricity which exceed the amounts allocated by the state board of regents to institutions under its control for the purchase of fuel and electricity.

Mary Jane Odell
May 18, 1984
Page Three

Section 13 amends chapter 195, section 17 of the Acts of 1983 to allow the institutions under the control of the State Board of Regents to separately apply for fuel contingency funds.

As in the past the legislature made a lump sum appropriation to the Board of Regents for the purchase of fuel and electricity for 1983-84 for all the institutions. The board is authorized to distribute these funds among the institutions as is necessary to meet the various institutions' needs.

The contingency fund appropriation made last year was intended to offset any shortfall in the appropriation for fuel and electricity. Information obtained by the State Comptroller's office indicates that the total amount of the appropriation is adequate to meet the requirements of all the Regent Institutions. Therefore the fuel deficit at any one institution could be met by reallocating fuel and electricity funds from the institutions which received allocations in excess of their needs. Since adequate funds are available within the overall appropriation for that purpose, and due to the state's difficult financial position, chapter 195, section 17 should remain as originally intended.

I am unable to approve the item designated in the act as Section 22, which reads as follows:

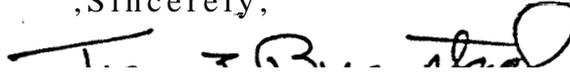
Sec. 22. This Act, being deemed of immediate importance, takes effect from and after its publication in The Record-Herald & Indianola Tribune, a newspaper published in Indianola, Iowa, and in the Ottumwa Courier, a newspaper published in Ottumwa, Iowa. However, sections 1 through 12 and 14 through 21 of this Act take effect July 1, 1984. Section 13 takes effect upon publication.

Section 22 is the enacting clause which would make Section 13 effective immediately. With disapproval of Section 13 this publication clause is no longer needed.

Mary Jane Odell
May 18, 1984
Page Four

For the above reasons, I hereby disapprove these items in accordance with amendment 4 of the amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 2519 are hereby approved as of this date.

,Sincerely,

A handwritten signature in black ink, appearing to read "Terry E. Branstad", with a large, stylized flourish at the end.

Terry E. Branstad
Governor

TEB/jml

cc: Secretary of the Senate
Chief Clerk of the House

HOUSE FILE 2520

AN ACT

RELATING TO APPROPRIATING FROM THE GENERAL FUND OF THE STATE AND VARIOUS TRUST FUNDS FOR VARIOUS OPERATIONS AND GRANTS AND AIDS TO DEPARTMENTS AND AGENCIES OF THE STATE WHOSE RESPONSIBILITY RELATES TO AGRICULTURAL AFFAIRS, ECONOMIC DEVELOPMENT, AND ENERGY AND NATURAL RESOURCES MANAGEMENT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. DEPARTMENT OF AGRICULTURE. There is appropriated from the general fund of the state and the trust funds indicated to the department of agriculture for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1984-1985
	<u>Fiscal Year</u>
1. GENERAL ADMINISTRATION	
a. From the general fund for salaries, support, maintenance, and miscellaneous purposes	\$ 1,330,488
b. From the fertilizer fund to be transferred to the administration division	\$ 39,216
c. From the dairy trade practice fund to be transferred to the administration division	\$ 68,147
d. From the commercial feed fund to be transferred to the administration division	\$ 39,216

The department of agriculture shall establish annual subscription fees for the regular and periodic publications of the department. Fees collected from subscribers shall be deposited in the general fund of the state.

2. REGULATORY DIVISION

From the general fund for salaries, support, maintenance, and miscellaneous purposes \$ 3,441,227

It is a condition of the funds appropriated by this subsection that the department of agriculture is required to inspect a food service establishment only once a year, notwithstanding the provisions of section 170A.3 requiring an inspection twice a year.

3. LABORATORY DIVISION

a. From the general fund for salaries, support, maintenance, and miscellaneous purposes	\$ 620,064
b. From the commercial feed fund to be transferred to the laboratory division	\$ 695,379
c. From the pesticide fund to be transferred to the laboratory division	\$ 423,803
d. From the fertilizer fund to be transferred to the laboratory division	\$ 619,443

Sec. 2. MULTIFLORA ROSE ERADICATION COST REIMBURSEMENT,

1. There is appropriated from the general fund of the state to the state department of agriculture for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of fifty thousand (50,000) dollars, or as much thereof as may be necessary, to be used for the purpose of partially reimbursing agricultural landowners or tenants for the cost of herbicide for controlling or eradicating the multiflora rose which has severely infested their agricultural land. Not more than five per-cent of the funds appropriated under this subsection shall be used for administrative expenses.

2. A county board of supervisors desiring a share of the appropriation shall, in conjunction with the county weed commissioner and the county soil conservation district commissioners, develop a plan to combat severe infestations

of multiflora rose on privately-owned land within the county. The plan shall be based upon partial reimbursement of individual landowner's costs for the purchase of herbicide from both state and county appropriations, however the share of costs reimbursed by state funds shall not exceed one-fourth. The plan shall be submitted to the secretary of agriculture for approval or recommendations for modification.

3. The secretary of agriculture, in consultation with the Iowa multiflora rose technical committee, shall evaluate the severity of the infestation of the multiflora rose in the counties of the state and allocate the funds appropriated under this section to all counties where severe infestations of the multiflora rose are located on agricultural land. The size and number of severe infestations of the multiflora rose in a county or an area of the state shall not preclude other counties or areas of the state with fewer or smaller severe infestations from receiving a reasonable share of the funds appropriated under this section. However, a share of the funds shall not be allocated to a county that does not have an approved plan. The secretary of agriculture shall adopt, by rule, the form and information requirements to be submitted by an applicant for partial reimbursement. The secretary shall also designate, by rule, the counties and areas of the state where the infestation of the multiflora rose is severe. The rules shall be adopted in accordance with chapter 17A.

4. A landowner or tenant whose agricultural land is severely infested by multiflora roses may apply to the soil conservation district commissioners of the county for partial reimbursement, according to the approved plan, of the cost of herbicide for controlling or eradicating the multiflora rose on the agricultural land. The county weed commissioner shall assist the soil conservation district commissioners in investigating the application and determining if the infestation is severe. The soil conservation district commissioners shall review and approve each application for

partial cost reimbursement if the infestation is severe on the applicant's agricultural land. If the soil conservation district commissioners find the amount of reimbursement claimed to be excessive, the district commissioners may approve a lesser amount. The reasons for disapproval of an application or reduction of the amount of reimbursement shall be sent in writing to the applicant. The amount of reimbursement certified by the secretary shall be paid by warrant issued by the state comptroller.

5. Federal lands and federal land tenants are not eligible for reimbursement under this section.

Sec. 3. STATE CONSERVATION COMMISSION. There is appropriated from the general fund of the state and the funds indicated to the state conservation commission and its divisions for the fiscal year beginning July 1, 1964 and ending June 30, 1985 the following amounts, or so much thereof as may be necessary, to be used for the purposes designated:

1984-1985

Fiscal Year

1. DIVISION OF LANDS AND WATERS

a. For deposit in the state conservation fund from the general fund of the state for salaries, support, maintenance, equipment, and miscellaneous purposes and for maintenance of state parks, waters, and forests, and including not more than one million five hundred six thousand three hundred sixty-eight (1,506,368) dollars during the fiscal year beginning July 1, 1984 which shall be available for the administration fund from the state conservation fund in compliance with section 107.17 \$ 6,250,979

b. For deposit in the state conservation fund from fees deposited under section 321C.7 not more than one hundred

thousand (100,000) dollars for the development and maintenance of snowmobile facilities on lands under the jurisdiction of the commission.

2. DIVISION OF FISH AND GAME

a. From the state fish and game protection fund for salaries, support, maintenance, equipment, and miscellaneous purposes including not more than one million eight hundred seventy-one thousand one hundred fifty-nine (1,871,159) dollars during the fiscal year beginning on July 1, 1984 which shall be available each fiscal year from the state fish and game protection fund for the administration fund in compliance with section 107.17 \$11,889,632

b. From the fees deposited under section 321G.7 to the fish and game protection fund not more than fifty thousand four hundred sixty-one (50,461) dollars for enforcement of snowmobile laws as part of the state snowmobile program.

c. From the fees deposited under section 106.52 to the fish and game protection fund not more than seven hundred fifty-seven thousand five hundred (757,500) dollars for administration and enforcement of navigation laws and water safety.

d. Funds remaining in the fish and game protection fund during the fiscal year 1984-1985 which are not specifically appropriated by this section are appropriated and may be used for capital projects and contingencies arising during the fiscal year beginning July 1, 1984. A contingency shall not include any purpose or project which was presented to the general assembly by way of a bill or a proposed bill and which failed to be enacted into law. For the purpose of this subsection, a necessity of additional operating funds may be construed as a contingency. Before any of the funds authorized to be expended by this subsection are allocated

for contingencies, it shall be determined by the executive council, that a contingency exists and that the contingency was not existent while the general assembly was in session and that the proposed allocation shall be for the best interests of the state. If a contingency arises or could reasonably be foreseen during the time the general assembly is in session, expenditures for the contingency must be authorized by the general assembly.

3. STATE ADVISORY BOARD FOR PRE-SERVES

From the general fund of the state for salaries, support, maintenance, and miscellaneous purposes for carrying out the duties of the board \$ 50,093

4. GREEN THUMB PROGRAM

From the general fund for deposit in the green thumb fund for the green thumb program established pursuant to chapter 601H \$ 145,385

Sec. 4. MARINE FUEL TAX FUND. There is appropriated from the marine fuel tax fund to the state conservation commission and its divisions for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For deposit in the state conservation fund not more than three hundred two thousand (302,000) dollars for maintenance and development of boating facilities and access to public waters.

2. For deposit in the state fish and game protection fund not more than one hundred sixty-eight thousand five hundred twenty-three (168,523) dollars for the administration and enforcement of navigation laws and boat safety.

The balance of the amounts computed as provided in section 324.84 for the fiscal year beginning July 1, 1984 and ending June 30, 1985 is appropriated for the purposes provided

in section 324.79, subsections 1, 2, 3 and 5. The unencumbered or unobligated balances of funds specifically allocated for such projects for the fiscal year ending June 30, 1985, shall revert on June 30, 1987 to the fund from which appropriated.

Sec. 5. ADMINISTRATION FUND.

1. All receipts, refunds, and reimbursements related to activities funded by the administration fund are appropriated to the administration fund. All refunds and reimbursements relating to activities of the state fish and game protection fund shall be credited to the state fish and game protection fund.

2. The state conservation commission shall establish a priority list of watersheds above publicly-owned lakes and areas within those watersheds which are of highest importance based on soil loss to be used for the allocation of funds set aside in subsection 3 of section 16 of this Act for permanent soil conservation practices on watersheds above publicly-owned lakes.

3. Members of the state conservation commission shall be limited to the normal mileage reimbursement for travel to commission meetings. Except for out-of-state trips authorized by the executive council, state aircraft shall not be used to transport commissioners to meetings unless the individual commissioner reimburses the state for costs exceeding the amount the commissioner would have been reimbursed for mileage.

Sec. 6. OPEN SPACES SCHOOL TAX PAYMENT. There is appropriated from the general fund of the state to the state conservation commission the amount of forty-two thousand (42,000) dollars to pay school taxes for the fiscal year beginning July 1, 1984 on the lands acquired under the open spaces acquisition program, commenced in Acts of the Sixty-fifth General Assembly, 1973 Session, chapter 74, which would otherwise be subject to the levy of school taxes. The assessed value of the open spaces land shall be (hat determined pursuant to section 427.1, subsection 31, and the commission may protest

the assessed value in the manner provided by law for any property owner to protest an assessment. For the purposes of chapter 442, the assessed value of the open spaces land shall be included in the valuation base of the school district and the payments made pursuant to this section shall be considered as property tax revenues and not as miscellaneous income. The county treasurer shall certify the taxes due to the commission. If the total amount of taxes due certified to the commission exceeds the amount appropriated, the taxes due shall be reduced proportionately so that the total amount equals the amount appropriated.

Sec. 7. IOWA DEVELOPMENT COMMISSION. There is appropriated from the general fund of the state to the Iowa development commission for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the following amount, or so much thereof as is necessary, to be used for the purposes designated:

	1984-1985 <u>Fiscal Year</u>
1. For salaries, support, maintenance, and miscellaneous purposes	\$ 3,112,025
2. HIGH TECHNOLOGY COUNCIL	
For support, maintenance and miscellaneous purposes	\$ 45,000
3. HIGH TECHNOLOGY COUNCIL	
For high technology research grants	\$ 900,000
4. From funds appropriated by subsection 1, the Iowa development commission shall allocate not to exceed thirty-five thousand (35,000) dollars for the seven regional tourism districts, not to exceed seven thousand (7,000) dollars per district for each district which provides on a dollar-to-dollar matching basis funds equal to the amount allocated by the Iowa development commission.	
5. IOWA PRODUCT DEVELOPMENT CORPORATION FUND	
For the purposes as provided in	

section 26.89 \$ 200,000

Notwithstanding section 8.33, unencumbered and unobligated funds appropriated in this subsection shall not revert to the general fund.

Sec. 8. 1983 Iowa Acts, chapter 207, section 40, unnumbered paragraph 3, is amended to read as follows:

Notwithstanding section 8.33, unencumbered or unobligated funds appropriated by this section for the fiscal year beginning July 1, 1983 and ending June 30, 1984 shall not revert to the general fund of the state. However, funds relating to the operations of the high technology council except funds for operations relating to developing a mechanism for transferring jobs, which are unencumbered or unobligated on June 30, 1984 shall revert to the general fund of the state on September 30, 1984.

Sec. 9. 1983 Iowa Acts, chapter 207, section 33, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. Notwithstanding section 8.33, unencumbered or unobligated funds appropriated in this section for the fiscal year beginning July 1, 1983 and ending June 30, 1984, shall not revert to the general fund of the state.

Sec. 10. Section 28.89, Code Supplement 1983, is amended to read as follows:

28.89 IOWA PRODUCT DEVELOPMENT CORPORATION FUND. There is created an "Iowa product development corporation fund". All funds of the corporation including the proceeds from the issuance of notes or sale of bonds under this division, any funds appropriated from the general fund to the corporation, and other income derived from the exercise of authority granted to the corporation under this division shall be paid to the treasurer of state as an agent of the corporation and the treasurer shall deposit the amounts in the Iowa product development corporation fund. The money in the Iowa product development corporation fund shall be paid out by warrants signed by the ~~treasurer-of-state~~ state comptroller On requisition of the president of the corporation. The money

in the Iowa product development corporation fund shall be used for repayment of notes and bonds issued under this division, the extension of financial aid granted by the corporation under this division, and the amount remaining may be used for the payment of the administrative and overhead costs of the corporation to the extent required.

Sec. 11. ENERGY POLICY COUNCIL. There is appropriated from the general fund of the state to the energy policy council for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1984-1985
	<u>Fiscal Year</u>
ENERGY POLICY COUNCIL	
1. OPERATIONS	
For salaries, support, maintenance, and miscellaneous purposes	\$ 355,125
2. PUBLIC BUILDINGS ENERGY CONSERVATION ADMINISTRATION	
For salaries, support, maintenance, and miscellaneous purposes	\$ 104,637

Sec. 12. STATE FAIR BOARD. There is appropriated from the general fund of the state to the Iowa state fair board for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1984-1985
	<u>Fiscal Year</u>
1. For maintenance of the state fair buildings and grounds	
	\$ 39,358
2. For premiums	
	\$ 9,000
3. For state aid to agricultural societies (local fairs)	
	\$ 183,800
4. The appropriation contained in subsection 3 for state aid to agricultural societies is conditional upon full compliance with all other statutes which regulate and prescribe	

the conditions under which the aid is available. The moneys shall not be used for other than the payment of cash premiums, and a county shall not receive more than one thousand eight hundred thirty-eight (1,838) dollars except that in a county where there are two definitely separate county extension offices, each society shall receive state aid in the amount it would be entitled to if it were the only society in the county. In counties having more than one fair entitled to state aid, the state aid available shall be prorated to the fairs based on cash premiums paid by the fairs. If the amount appropriated does not fund all claims, the state aid shall be reduced proportionately to equal the amount appropriated.

Sec. 13. GEOLOGICAL SURVEY. There is appropriated from the general fund of the state to the Iowa geological survey for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1984-1985
	<u>Fiscal Year</u>
1. For salaries, support, maintenance, and miscellaneous purposes	\$ 1,196,710
2. For reimbursement to federal agencies for cooperative contracts	\$ 262,833

Sec. 14. HERBERT HOOVER BIRTHPLACE FOUNDATION. There is appropriated from the general fund of the state to the Herbert Hoover birthplace foundation for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the following amount, or so much thereof as is necessary, to be used for the purposes designated:

	1984-1985
	<u>Fiscal Year</u>
For assistance with capital improvements	\$ 1,500

Sec. 15. MISSISSIPPI RIVER PARKWAY COMMISSION. There is appropriated from the general fund of the state to the Mississippi river parkway commission for the fiscal year

beginning July 1, 1984 and ending June 30, 1985 the following amount, or so much thereof as is necessary, to be used for the purposes designated:

	1984-1985
	<u>Fiscal Year</u>
For support, maintenance, and miscellaneous purposes	\$ 14,580

Sec. 16. DEPARTMENT OF SOIL CONSERVATION. There is appropriated from the general fund of the state to the department of soil conservation for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1984-1985
	<u>Fiscal Year</u>
1. For salaries, support, maintenance, assistance to soil conservation districts, and miscellaneous purposes	\$ 3,702,191
2. For soil conservation grants which shall be allocated by the state soil conservation committee as follows:	
a. To conduct soil surveys in conjunction with federal, state, and local agencies in Iowa	\$ 335,340
b. To finance the state share of the small watershed program known as the Pub. L. No. 566 program	\$ 24,300
c. To provide financial incentives for soil conservation practices in accordance with subsection 3 of this section	\$ 8,644,000
3. The following requirements apply to the funds appropriated by subsection 2, paragraph c:	
a. Not more than five percent may be allocated for cost sharing to abate complaints filed under sections 467A.47 and 467A.48.	

b. Not more than ten percent may be allocated for financial incentives not exceeding seventy-five percent of the approved cost of permanent soil conservation practices under chapter 467A on watersheds above publicly-owned lakes in accordance with the priority list required in subsection 2 of section 5 of this Act.

c. The committee may allocate funds to conduct research and demonstration projects to promote conservation tillage practices.

d. Not more than ten percent of a district's allocation may be allocated by the soil conservation district commissioners for one-time incentive payments on the per acre basis, but not exceeding ten dollars per acre, to encourage no-till planting methods on Iowa land that is row cropped.

e. Except for the allocations subject to paragraphs "a" and "b", these funds shall not be used alone or in combination with other public funds to provide a financial incentive payment greater than fifty percent of the approved cost for voluntary permanent soil conservation practices and priority shall be given to family-operated farms.

4. The provisions of section 8.33 shall not apply to the funds appropriated by subsection 2, paragraph "c". Unencumbered or unobligated funds remaining on June 30, 1988 from funds appropriated for the fiscal year beginning July 1, 1984 shall revert to the general fund on September 30, 1988.

Sec. 17. 1983 Iowa Acts, chapter 207, section 54, is amended to read as follows:

SEC. 54. There is appropriated from the general fund of the state to the state soil conservation ~~commission~~ committee for ~~each the~~ each fiscal year ~~of the fiscal biennium~~ beginning July 1, 1983 and ending June 30, 1985, one million (1,000,000) dollars and for the fiscal year beginning July 1, 1984, seven hundred fifty thousand (750,000) dollars to be used for the establishment of the revolving loan fund as provided in this division.

Sec. 18. DEPARTMENT OF WATER, AIR AND WASTE MANAGEMENT. There is appropriated from the general fund of the state to the department of water, air and waste management for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1984-1985
Fiscal Year

1. For salaries, support, maintenance, and miscellaneous purposes \$ 2,755,850

During the fiscal year for which funds are appropriated by this section the department of water, air and waste management shall not require the installation or use of equipment to control the emission of dust or other particulate matter on facilities for the storage of grain which are located within the ambient air quality attainment areas for suspended particulates.

2. For salaries, support, maintenance, and miscellaneous purposes for the river coordinator who shall be staff of the department of water, air and waste management, including membership fees in the Missouri and Mississippi river basin association \$ 70,000

3. For the state's contribution to the AIDEX superfund \$ 50,000

4. For payments to the governing bodies responsible for publicly-owned sewage treatment facilities which are eligible for grants under section 202 of the federal Water Pollution Control Act, 33 U.S.C. 466 et seq., as amended by the federal Clean Water Act of 1977, Pub. L. No. 95-217, in an amount equal to five percent of the amount approved as the eligible cost of the project by

the water, air and waste management
commission \$ 2,000,000

The provisions of section 8.33 shall **not** apply to the funds appropriated by this subsection. Unencumbered or unobligated funds remaining on June 30, 1988 from funds appropriated for the fiscal year beginning July 1, 1984, shall revert to the general fund on September 30, 1988.

Sec. 19. There **is** appropriated from the general fund of the state to the Iowa state water resources research institute for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of one hundred thirty-five thousand (135,000) dollars or so much thereof as is necessary for research approved by the panel created in section 20 of this Act.

Sec. 20. A panel **is** created to advise the Iowa state water resources research institute on the areas of research to be conducted with the funds appropriated in section 19 of this Act. The panel **is** composed of the administrative head of the following agencies or that person's representative: Iowa geological survey, energy policy council, department of water, air and waste management, department of soil conservation, and department of agriculture. The representative of the Iowa geological survey shall serve as the chairperson and call meetings of the panel.

Sec. 21. All federal grants to and the federal receipts, not otherwise appropriated, of the agencies appropriated funds under this Act are appropriated for the purposes set forth in the federal grants or receipts, unless otherwise provided by the general assembly.

Sec. 22. section 93A.4, subsection 1, unnumbered paragraph 1, Code Supplement 1983, is amended to read as follows:

Each county commission shall compile a county land use inventory of the unincorporated areas of the county by ~~January~~ July 1, 1984. The county inventories shall where adequate data is available contain at least the following:

Sec. 23. Section 93A.5, subsection 1, unnumbered paragraph 1, Code 1983, is amended to read as follows:

By ~~September-17-1984~~ March 1, 1985, after at least one public hearing, a county commission shall propose to the county board a county land use plan for the unincorporated areas in the county, or it shall transmit to the county board the county land use inventory completed pursuant to section 93A.4 together with a set of written findings on the following factors considered by the county commission:

DONALD D. AVENSON
Speaker of the House

CHARLES P. MILLER
President Pro Tempore of the Senate

I hereby certify that this bill originated in the House and is known as House File 2520, seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

HOUSE FILE 2521

AN ACT

RELATING TO AND MAKING APPROPRIATIONS TO VARIOUS STATE REGULATORY, ADMINISTRATIVE AND FINANCE DEPARTMENTS, BOARDS AND COMMISSIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984 and ending June 30, 1985, to the following boards the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1984-1985 <u>Fiscal Year</u>
1. BOARD OF ARCHITECTURAL EXAMINERS For salaries, support, maintenance, and other operational purposes	\$ 45,458
2. BOARD OF LANDSCAPE ARCHITECTURAL EXAMINERS For salaries, support, maintenance, and other operational purposes	\$ 10,345
3. BOARD OF ACCOUNTANCY For salaries, support, maintenance, and other operational purposes	\$ 270,801
4. STATE BOARD OF ENGINEERING	

EXAMINERS

For salaries, support, maintenance,
and other operational purposes \$ 138,615

Sec. 2. There is appropriated from the general fund of the state to the following departments and commissions for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1984-1985 <u>Fiscal Year</u>
1. AUDITOR OF STATE For salaries, support, maintenance, and miscellaneous purposes	\$ 1,803,249
2. DEPARTMENT OF BANKING For salaries, support, maintenance, and other operational purposes	\$ 3,271,343
3. IOWA BEER AND LIQUOR CONTROL DEPARTMENT For salaries, support, maintenance, and other operational purposes	\$18,626,164
Not less than six ministores shall be established from the funds appropriated in this subsection.	
4. CAMPAIGN FINANCE DISCLOSURE COMMISSION For salaries, support, maintenance, and other operational purposes	\$ 125,587
As a condition of receipt of this appropriation, the campaign finance disclosure commission shall promulgate rules by January 1, 1985 that a holder of or a candidate for a state office who receives a campaign contribution from a registered lobbyist or a political action committee while the general assembly is in session must disclose that contribution to the campaign finance disclosure commission within fourteen days of receipt of the contribution.	
5. IOWA STATE COMMERCE COMMISSION	

H.F. 2521

For salaries, support, maintenance,
and other operational purposes \$ 5,611,319

6. CONSUMER ADVOCATE
For salaries, support, maintenance,
and other operational purposes \$ 874,520

7. STATE COMPTROLLER
a. General Office
For salaries, support, maintenance,
and other operational purposes \$ 1,178,029

b. Division of Data Processing
For salaries, support, maintenance,
and other operational purposes \$ 4,070,837

It is the intent of the general assembly that the state comptroller under its division of data processing shall not charge the secretary of state for computer costs arising as a result of the implementation of Senate File 510.

The state comptroller, through the office of the inspector general, shall assist state agencies in identifying and implementing efficiency and cost-effectiveness measures, as recommended by the governor's task force on efficiencies and cost-effectiveness. Notwithstanding any conflicting provisions of chapter 8, the state comptroller may make the first two quarterly allocations to the state comptroller as if the amount appropriated in paragraph "a" contained three hundred thousand dollars more than actually specified and in paragraph "b" contained two million dollars more than actually specified, and the state comptroller may reduce the last two quarterly allocations in order to offset the first two quarterly allocations. The state comptroller may reduce quarterly allocations of funds appropriated to other agencies to reflect savings made as a result of implementing recommendations of the governor's task force on efficiencies and cost effectiveness. Not more than three hundred thousand dollars for paragraph "a" and two million dollars for paragraph "b" of the savings resulting from implementing the recommendations

may be transferred by the state comptroller to the state comptroller to be used for the purposes provided in those paragraphs.

8. CREDIT UNION DEPARTMENT
For salaries, support, maintenance,
and other operational purposes \$ 534,821

9. INDUSTRIAL COMMISSIONER
For salaries, support, maintenance,
and other operational purposes \$ 981,702

10. INSURANCE DEPARTMENT OF IOWA
For salaries, support, maintenance,
and other operational purposes \$ 2,691,974

The insurance department may expend additional funds, if those additional expenditures are actual expenses which exceed the funds budgeted for insurance company examinations and directly result from examinations of insurance companies. Before the department expends or encumbers an amount in excess of the funds budgeted for examinations, the state comptroller shall approve the expenditure or encumbrance. Before approval is given, the state comptroller shall determine that the examination expenses exceed the funds budgeted by the general assembly to the department and that the department does not have other funds from which examination expenses can be paid. Upon approval of the state comptroller the department may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected from those insurance companies being examined which caused the excess expenditures and the collections shall be treated as repayment receipts as defined in section 0.2, subsection 5.

11. IOWA DEPARTMENT OF JOB SERVICE
For salaries, support, maintenance,
and other operational purposes for the
administration of chapter 97 and chapter 97C and section 294.15 \$ 160,398

12. OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION		
For salaries, support, maintenance, and other operational purposes	\$	48,594
13. PUBLIC EMPLOYMENT RELATIONS BOARD		
For salaries, support, maintenance, and other operational purposes	\$	542,838
14. IOWA REAL ESTATE COMMISSION		
For salaries, support, maintenance, and other operational purposes	\$	319,345
15. RACING COMMISSION		
For salaries, support, maintenance, and other operational purposes	\$	296,400
16. DEPARTMENT OF REVENUE General Administration		
For salaries, support, maintenance, and other operational purposes	\$	15,760,007
17. SECRETARY OF STATE		
a. For salaries, support, maintenance and other operational purposes	\$	1,062,176
b. For editing and printing the Iowa official register	\$	62,500
It is the intent of the general assembly that the Iowa official register be published by April 1, if practicable.		
18. TREASURER OF STATE		
For salaries, support, maintenance, and miscellaneous purposes	\$	472,598
Sec. 3. There is appropriated from the general fund of the state to the moneys and credits replacement fund established in section 422.100 for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amount, or so much thereof as may be necessary, to be used for payments to counties as provided in section 422.100:		
	1984-1985	

Fiscal Year
\$ 2,500,000

Sec. 4. There is appropriated from the general fund of
the state to the county government assistance fund, established
in section 334A.1, for the fiscal year beginning July 1, 1984
and ending June 30, 1985, the following amount, or so much
thereof as may be necessary, to be used for state assistance
to counties, with distribution in accordance with section
334A.2. The state comptroller, before making such
distribution, shall credit to the county finance committee
on July 1, 1984 the sum of fifty-five thousand five hundred
thirty-three (55,533) dollars.

1984-1985
Fiscal Year
\$ 5,350,000

Sec. 5. There is appropriated from the general fund of
the state to the municipal assistance fund, established in
section 405.1, for the fiscal year beginning July 1, 1984
and ending June 30, 1985, the following amount, or so much
thereof as may be necessary, to be used for state assistance
to municipalities, with distribution in accordance with section
405.1. The state comptroller, before making such distribution,
shall credit to the city finance committee on July 1, 1984
the sum of ten thousand eight hundred (10,800) dollars.

1984-1985
Fiscal Year
\$14,650,000

Sec. 6. There is appropriated from the motor vehicle fuel
tax fund to the department of revenue for the fiscal year
beginning July 1, 1984 and ending June 30, 1985, the following
amount, or so much thereof as may be necessary, for salaries,
support, maintenance, and other operational purposes for
administration and enforcement of the provisions of chapter
324 and the motor vehicle use tax program:

1984-1985

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Fiscal Year
\$ 820,035

Sec. 7. There is appropriated from the Iowa public employees' retirement system fund for the fiscal year beginning July 1, 1984 and ending June 30, 1985, to the Iowa department of job service, the following amount, or so much thereof as may be necessary, to be used for the following purposes:

1984-1985
Fiscal Year

For salaries, support, maintenance, and other operational purposes to pay the costs of administration of the Iowa public employees' retirement system \$ 3,381,945

It is the intent of the general assembly that the department of job service and the advisory investment board of the Iowa public employees' retirement system shall evaluate their holding of stocks and the voting rights to the stock with respect to the involvement of the stock issuer in doing business with or investing in the Republic of South Africa. The List of companies that invest in or do business with the Republic of South Africa shall be developed with reference to information obtained from the United States department of commerce. The department of job service shall not give voting proxies to any candidate for a board position for a company on the list who does not support divestment. In any stockholder election involving an issue related to investments in or business with the Republic of South Africa, the department of job service shall exercise its right to vote stock in such a manner as to prohibit such investments or business. This paragraph does not require the department to send a person to attend shareholder meetings to vote stock.

Sec. 8. All federal grants to and the federal receipts of the agencies appropriated funds under this Act are appropriated for the purposes set forth in such federal grants

or receipts unless otherwise provided by the general assembly.
Sec. 9.

1. It is the intent of the general assembly that after July 1, 1984 that in regard to the appropriations made in section 7 of this Act the department of job service and the advisory board of the Iowa public employees' retirement system shall not make investment in any person making an investment in South Africa. As used in this section, unless the context otherwise requires:

a. "Investment in South Africa" means either of the following:

(1) Establishing or making a loan or other extension of credit for the establishment of a business enterprise or a subsidiary, affiliate, branch, or office in South Africa.

(2) Investing funds in an existing enterprise in South Africa including making a loan or other extension of credit or exercising control in an existing enterprise, except that this paragraph does not prohibit the purchase of securities on a securities exchange.

b. "South Africa" includes the Republic of South Africa, any territory under the legal or illegal administration of the Republic of South Africa, and the Bantustans including Transkei, Bophuthatswana, Venda, Ciskei, and KwaZulu.

2. A person shall be presumed to control a corporation, partnership, or enterprise in South Africa if any of the following exist:

a. The person beneficially owns or controls either directly or indirectly more than fifty percent of the outstanding voting securities of the corporation, partnership, or enterprise.

b. The person beneficially owns or controls either directly or indirectly twenty-five percent or more of the voting securities of the corporation, partnership, or enterprise, if no other person owns or controls an equal or larger percentage.

c. The corporation, partnership, or enterprise is operated by the person pursuant to an exclusive management contract.

d. A majority of the members of the board of directors of the corporation, partnership, or enterprise are also members of the comparable governing body of the person.

e. The person has authority to appoint a majority of the members of the board of directors of the corporation, partnership, or enterprise.

f. The person has authority to appoint the chief operating officer of the corporation, partnership, or enterprise.

3. It is also the intent of the general assembly that after July 1, 1984 that in regard to the appropriation made in section 7 of this Act the department of job service and the advisory investment board of the Iowa public employees' retirement system shall maintain a list of persons making an investment in South Africa. The list shall be developed with reference to information obtained from the United States department of commerce. The department of job service and the advisory board shall not invest in any person on the list. The department shall mail written notification to each person on the list. A person ineligible to receive investments may establish eligibility if documentary evidence is submitted to the advisory board. The evidence shall be sufficient to establish that the person has adopted a written policy that prohibits the making of investments in South Africa.

"Documentary evidence" includes, but is not limited to, an executed affidavit by an appropriate officer of the person in a form prepared by the advisory board, attesting to the fact that the person prohibits the making of investments in South Africa. The department of job service shall attempt to verify compliance by checking sources of information not affiliated with the person. The department of job service shall adopt rules under chapter 17A to assess civil penalties against a person who files false or misleading documentary evidence. Penalties shall be deposited in the state general

fund. The civil penalties shall not exceed five thousand dollars for each violation. All civil penalties collected shall be deposited in the state general fund. If the advisory board determines that the government of the Republic of South Africa has made substantial progress toward the full participation of all the people in South Africa in the social, political, and economic life of that country and toward an end to discrimination based on race or ethnic origin, the advisory board shall submit that determination and the basis for that determination to the general assembly.

Sec. 10. If, on September 1, 1984, the state comptroller projects that the receipts of state general fund revenues for the fiscal year beginning July 1, 1985 will be less than seven and three-tenths percent above the receipts of state general fund revenues for the fiscal year beginning July 1, 1984, the following shall occur:

1. Notwithstanding section 442.7, subsection 4, for the budget year beginning July 1, 1985, the difference between the recomputed state percent of growth for the base year and the original computation for the base year is one percent and that percent shall be subtracted from the state percent of growth for the budget year.

2. Notwithstanding section 442.3, for the school year beginning July 1, 1985, the state foundation base shall be seventy-nine percent of the state cost per pupil.

3. Notwithstanding section 427A.9, the personal property tax credit allowed for the fiscal year beginning July 1, 1985 shall not exceed the amount of the personal property tax credit allowed for taxes payable in the fiscal year beginning July 1, 1984.

4. Notwithstanding section 427B.10, property acquired or purchased on or after January 1, 1983 up to and including December 31, 1983 shall not receive the benefits of sections 427B.10 through 427B.14 for taxes levied against the January 1, 1984 assessments and collected during the fiscal year beginning July 1, 1985.

5. Notwithstanding section 602.11101, subsections 3 and 4, Code Supplement 1983, the scheduled assumptions of state responsibility for court attendants and for juvenile probation officers are delayed for a period of one year, respectively, and the delay shall be implemented as provided in section 602.11101 and the per-centage remittance to the counties from the court revenue distribution account under section 602.8108 for the fiscal year beginning July 1, 1984 shall not be reduced for the fiscal year beginning July 1, 1985.

Sec. 11. Section 49.12, Code 1983, is amended to read as follows:

49.12 ELECTION BOARDS. There shall be appointed in each election precinct an election board which shall ordinarily consist of at least five precinct election officials. However, in precincts using only one voting machine at any one time, and in precincts voting by paper ballot where no more than one hundred votes were cast in the last preceding similar election, the board shall consist of not less than three precinct election officials; and in precincts using more than two voting machines ~~one~~ additional precinct election ~~officials~~ officials may be appointed ~~for each such additional machine.~~ Double election boards may be appointed for any precinct as provided by chapter 51. Not more than a simple majority of the ~~members~~ of the election board in any precinct, or of the two combined boards in any precinct ~~for~~ which a double election board is appointed, shall be members of the same political party or organization if one or more qualified electors of another party or organization are qualified and willing to serve on the board.

If double counting boards are not appointed for precincts using paper ballots and using only three precinct election officials a fourth precinct election official shall be appointed from the election board panel to serve beginning at 8:00 p.m. to assist in counting the paper ballots.

Sec. 12. Section 11 of this Act takes effect only if House File 2219, as enacted by the Seventieth General Assembly, 1984 Session, becomes law.

DONALD D. AVENSGN
Speaker of the House

CHARLES P. MILLER
President Pro Tempore of the
Senate

I hereby certify that this bill originated in the House and is known as House File 2521, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E BRANSTAD
GOVERNOR

May 19, 1984



The Honorable Mary Jane Odell
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit House File 2521, an act relating to and making appropriations to various state regulatory, administrative and finance departments, boards and commissions.

House File 2521 is approved May 19, 1984, with the following exceptions which I hereby disapprove.

I am unable to approve Section 7, 'unnumbered paragraph 3, and the entirety of Section 9, which read as follows:

It is the intent of the general assembly that the department of Job service and the advisory investment board of the Iowa public employees' retirement system shall evaluate their holding of stocks and the voting rights to the stock with respect to the involvement of the stock issuer in doing business with or investing in the Republic of South Africa. The list of companies that invest in or do business with the Republic of South Africa shall be developed with reference to information obtained from the United States department of commerce. The department of job service shall not give voting proxies to any candidate for a board position for a company on the list who does not support divestment. In any stockholder election involving an issue related to investments in or business with the Republic of South Africa, the department of Job service shall exercise its right to vote stock in such a manner as to prohibit such investments or business. This paragraph does not require the department to send a person to attend shareholder meetings to vote stock.

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3. Make no investment in any companies making investments or having control of companies in South Africa, after July 1, 1984.

The provisions of House File 2521 represent a radical change in the handling of the state employees' pension fund. In the past, the state has given those who manage these funds broad discretion in selecting appropriate investments and has shied away from using these funds to effect social policy.

The **IPERS** system is actuarially sound -- something of a rarity for public pension systems. And, **IPERS** managers have achieved substantial investment yields earning additional retirement income for former public employees.

Despite this investment record, proponents of Sections 7 and 9 of House File 2521 urge the adoption of the above restrictions on **IPERS** investments due to the racial policies of the South African government.

Their goal is a laudable one. The racism inherent in the apartheid policy is wrong. I am certain that Iowans -- with their history of support for racial equality -- join me in condemning this policy of the South African government.

Iowans also have a history of support **for** free and open commerce. We witnessed the failure of the Carter Administration's effort to force change in Soviet policy through a grain embargo. Rather than harm the Russians, the embargo hamstrung American farmers.

Instead of the negative approach reflected in House File 2521, I believe we would benefit blacks in South Africa far more with a positive effort to achieve racial equality. This can best be accomplished, not by divesting our ability to exercise influence, but by capitalizing on it.

Implementation of the so-called "Sullivan Principles" is one way to exercise economic influence to achieve needed social change. These principles require desegregation of the workplace, equality of pay **and** opportunity for blacks, and financial aid to the employees' communities. To date, over 120 American firms doing business in South Africa have signed agreements to honor these principles and 74 percent of the workers employed by U.S. firms are covered by these principles.

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In summary, I concur with the goals of those proposing Sections 7 and 9 of House File 2521. However, the restrictions on South African investments included in those sections would likely hurt, rather than help, the victims of the oppressive apartheid system. On the other hand, a positive use of American investment could work to speed up the needed social change in South Africa.

I am also unable to approve Section 10, subsections 2, 3, 4, and 5, which read as follows:

2. Notwithstanding section 442.3, for the school year beginning July 1, 1985, the state foundation base shall be seventy-nine percent of the state cost per pupil.

3. Notwithstanding section 427A.9, the personal property tax credit allowed for the fiscal year beginning July 1, 1985 shall not exceed the amount of the personal property tax credit allowed for taxes payable in the fiscal year beginning July 1, 1984.

4. Notwithstanding section 4278.10, property acquired or purchased on or after January 1, 1983 up to and including December 31, 1983 shall not receive the benefits of sections 4278.10 through 427B.14 for taxes levied against the January 1, 1984 assessments and collected during the fiscal year beginning July 1, 1985.

5. Notwithstanding section 602.11101, subsections 3 and 4, Code Supplement 1983, the scheduled assumptions of state responsibility for court attendants and for juvenile probation officers are delayed for a period of one year, respectively, and the delay shall be implemented as provided in section 602.11101 and the percentage remittance to the counties from the court revenue distribution account under section 602.8108 for the fiscal year beginning July 1, 1984 shall not be reduced for the fiscal year beginning July 1, 1985.

Each of the above designated subsections would be implemented in the event that the State Comptroller on September 1, 1984 projected that the receipts of the state general fund revenues for the fiscal year 1986 would be less than 7.3 percent above the state general fund revenues for the fiscal year 1985. While I recognize these triggers are standby in nature, I am unable to approve these items because of my strong belief that it is wrong to shift state budget problems to local governments and local property taxpayers when problems occur. The four provisions which I will comment on briefly below could boost local property taxes by nearly \$25 million. These same provisions would wreak havoc on the local government budget process, and severely damage

The Honorable Mary Jane Odell
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state government's relationship and credibility with local government officials and property taxpayers. I recommended a one cent increase in our state sales tax last year to avoid this type of action.

Subsection 2, if triggered, would further delay our state's long standing commitment to reaching the eighty percent foundation level in our school aid formula. This provision alone would cost local property taxpayers \$14 million.

Subsection 3, raises the trigger on the personal property tax phaseout which was enacted in 1974. This most unfair and inequitable tax on personal property and business inventories should have been phased out by now. It has already been delayed too many times.

Presently, the personal property tax phaseout moves forward only when state revenues grow by at least 5.5 percent. In most recent years, our revenue growth has been below 5.5 percent and no progress in the phaseout has been made. Last year, I recommended and budgeted for another step in the phaseout. The legislature failed to follow that recommendation, and spent the \$3.8 million elsewhere.

Our commitment to the elimination of this most unfair tax is a significant incentive to economic development and more jobs for Iowans. Unfortunately, our state government's credibility has already been damaged by the continual interruption of this economic development incentive. I find this action to be unacceptable.

Subsection 4 requires that industrial machinery, equipment and computers purchased from January 1, 1983 through December 31, 1983 would not receive the 30 percent valuation limit for January 1, 1984 assessments.

The language of this paragraph could lead to a retroactive denial of a significant incentive designed to encourage capital investment. Many Iowa businesses would not have made machinery and computer investments in calendar year 1983 without the incentive provided for under our state's new "70/30" residual value assessment system.

Even the possibility of a retroactive denial of this investment incentive would send a negative message to the business community of our state. The Iowa Development Commission believes that this provision would be a damaging blow to our economic development efforts and could cost us thousands of Iowa jobs.

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Last year I recommended, and the General Assembly approved, legislation in which the state made a commitment to gradually assume responsibility for the court system which is now funded at the county level. This action was taken to provide a unified court system and property tax relief.

Subsection 5 could delay the scheduled assumptions of state responsibility, and result in unanticipated and unbudgeted property tax increases. This language should not be left to haunt property taxpayers and local government officials.

In short, the subsections above could only serve to raise property taxes, hinder local government officials in their budgetary and other fiscal matters, and erode the confidence of those who wish to invest and create jobs in Iowa. Our state must move forward with these and other economic development incentives if we are going to be successful in the competition for jobs. We cannot afford to take significant steps backward. We must continue to move forward in our efforts to create jobs and reduce the property tax burden.

I am also unable to approve the entirety of Sections 11 and 12, which read as follows:

Sec. 11. Section 49.12, Code 1983, is amended to read as follows:

49.12 ELECTION **BOARDS**. There shall be appointed in each election precinct an election board which shall ordinarily consist of at least five precinct election officials. However, in precincts using only one voting machine at any one time, and in precincts voting by paper ballot where no more than one hundred votes were cast in the last preceding similar election, the board shall consist of not less than three precinct election officials; and in precincts using more than two voting machines ~~one additional precinct election official~~ officials may be appointed ~~for each such additional machine~~. Double election boards may be appointed for any precinct as provided by chapter 51. Not more than a simple majority of the members of the election board in any precinct, or of the two combined boards in any precinct for which a double election board is appointed, shall be members of the same political party or organization if one or more qualified electors of another party or organization are qualified and willing to serve on the board.

If double counting boards are not appointed for precincts using paper ballots and using only three precinct election officials a fourth precinct election official shall be appointed from the election board panel to serve beginning at 8:00 p.m. to assist in counting the paper ballots.

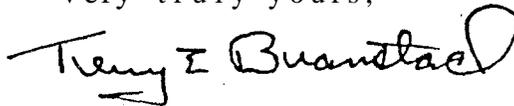
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Sec. 12. Section 11 of this Act takes effect only if House File 2219, as enacted by the Seventieth General Assembly, 1984 Session, becomes law.

Sections 11 and 12 which would increase local property taxes are no longer necessary as a result of my disapproval of House File 2219.

For the above reasons, I respectfully disapprove of these items in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of House File 2521 are hereby approved as of this date.

Very truly yours,

A handwritten signature in black ink that reads "Terry E. Branstad". The signature is written in a cursive style with a large, looped initial "T".

Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

NEW LETTERED PARAGRAPH. d. Had another relationship with the bank in which the owner has:

(1) Communicated in writing with the bank.

(2) **Otherwise indicated** an interest as evidenced by a memorandum or other record on file prepared by an employee of the bank and if the bank communicates in writing with the owner with regard to the property that would otherwise be abandoned under this subsection at the address to which communications regarding the other relationship are regularly sent.

Sec. 3. Section 556.2, subsection 2, Code 1983, is amended to read as follows:

2. Any funds paid in this state toward the purchase of shares or other interest in a financial organization or any deposit made ~~therewith~~ in this state, and any interest or dividends ~~thereon~~, excluding any charges that may lawfully be withheld, unless the owner has within ~~ten~~ five years:

Sec. 4. section 556.2, subsection 2, Code 1983, is amended by adding the following new lettered paragraph:

NEW LETTERED PARAGRAPH. d. Had another relationship with the financial organization in which the owner has:

(1) Communicated in writing with the financial organization.

(2) Otherwise indicated an interest as evidenced by a memorandum or other record on file prepared by an employee of the financial organization and if the financial organization communicates in writing with the owner with regard to the property that would otherwise be abandoned under this subsection at the address to which communications regarding the other relationship are regularly sent.

Sec. 5. Section 556.2, Code 1983, is amended by inserting after subsection 2 the following new subsection:

NEW SUBSECTION. 3. Any property described in subsections 1 and 2 which is automatically renewable is matured for purposes of subsections 1 and 2 upon the expiration of its

HOUSE FILE 2522

AN ACT

RELATING TO THE DISPOSITION OF UNCLAIMED PROPERTY

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 556.2, subsection 1, Code 1983, is amended to read as follows:

1. Any demand, savings, or matured time deposit made in this state with a banking organization, together with any interest or dividend ~~thereon~~, excluding any charges that may lawfully be withheld, unless the owner has, within ~~ten~~ five years:

Sec. 2. Section 556.2, subsection 1, Code 1983, is amended by adding the following new lettered paragraph:

initial time period, but in the case of any renewal to which the owner consents at or about the time of renewal by communicating in writing with the banking or financial organization or otherwise indicating consent as evidenced by a memorandum or other record on file prepared by an employee of the organization, the property is matured upon the expiration of the last time provided for which consent was given. If at the time period for delivery in section 556.13, a penalty or forfeiture in the payment of interest would result from the delivery of the property, the time period for delivery is extended until the time when no penalty or forfeiture would result.

Sec. 6. Section 556.2, subsection 3, Code 1983, is amended to read as follows:

3. Any sum payable on checks certified in this state or on written instruments issued in this state on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, certificates of deposit, drafts, money orders, and traveler's checks, that, with the exception of traveler's checks, has been outstanding for more than ~~ten~~ five years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, that ~~has~~ has been outstanding for more than fifteen years from the date of its issuance, unless the owner has within ~~ten~~ five years, or within fifteen years in the case of traveler's checks, corresponded in writing with the banking or financial organization or business association concerned, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association. ~~Such~~ The memorandum shall be dated and may have been prepared by the banking or financial organization or business association, in which case it shall be signed by an officer of the banking or financial organization, or a member of the business association, or it may have been prepared by the owner.

Sec. 7. Section 556.2, subsection 4, Code 1983, is amended to read as follows:

4. Any funds or other personal property, tangible or intangible, removed from a safe deposit box or any other safekeeping repository or agency or collateral deposit box in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, or any surplus amounts arising from the sale thereof pursuant to law, that ~~have~~ have been unclaimed by the owner for more than ~~ten~~ five years from the date on which the lease or rental period expired.

Sec. 8. Section 556.3, subsection 2, Code 1983, is amended to read as follows:

2. "Unclaimed funds," as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than ~~ten~~ five years after the moneys became due and payable as established from the records of the corporation under any life or endowment insurance policy or annuity contract which has matured or terminated. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the proceeds thereof are deemed to be due and payable if ~~such~~ the policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based and shall be presumed abandoned and to be unclaimed funds as defined in this section if unclaimed and unpaid for more than two years thereafter, unless the person appearing entitled thereto has within the ~~preceding-ten-years~~ two-year period, ~~(a)~~ assigned, readjusted, or paid premiums on the policy, or subjected the policy to loan, or ~~(b)~~ corresponded in writing with the life insurance corporation concerning the policy. Moneys otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

Sec. 9. Section 556.5, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

556.5 STOCKS AND OTHER INTANGIBLE INTERESTS IN BUSINESS ASSOCIATIONS.

1. Except as provided in subsections 2 and 5, stock or other intangible ownership interest in a business association, the existence of which is evidenced by records available to the association, is presumed abandoned and, with respect to the interest, the association is the holder, if a dividend, distribution, or other sum payable as a result of the interest has remained unclaimed by the owner for seven years and the owner within seven years has not:

a. Communicated in writing with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest.

b. Otherwise communicated with the association regarding the interest of a dividend, distribution, or other sum payable as a result of the interest, as evidenced by a memorandum or other record on file with the association prepared by an employee of the association.

2. At the expiration of a seven-year period following the failure of the owner to claim a dividend, distribution, or other sum payable to the owner as a result of the interest, the interest is not presumed abandoned unless there have been at least seven dividends, distributions, or other sums paid during the period, none of which has been claimed by the owner. If seven dividends, distributions, or other sums are paid during the seven-year period, the period leading to a presumption of abandonment commences on the date payment of the first unclaimed dividend, distribution, or other sum became due and payable. If seven dividends, distributions, or other sums are not paid during the presumptive period, the period continues to run until there have been seven dividends, distributions, or other sums that have not been claimed by the owner.

3. The running of the seven-year period of abandonment ceases immediately upon the occurrence of a communication referred to in subsection 1. If any future dividend, distribution, or other sum payable to the owner as a result of the interest is subsequently not claimed by the owner, a new period of abandonment commences and relates back to the time a subsequent dividend, distribution, or other sum became due and payable.

4. At the time an interest is presumed abandoned under this section, any dividend, distribution, or other sum then held for or owing to the owner as a result of the interest, and not previously abandoned, is presumed abandoned.

5. This section does not apply to any stock or other intangible ownership of interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the interest unless the records available to the treasurer of state show, with respect to any intangible ownership interest not enrolled in the reinvestment plan, that the owner has not within seven years communicated in any manner described in subsection 1.

6. Any stock or other certificate of ownership, or any dividend, profit, distribution, interest, payment on principal, or other sum held or owing by a business association for or to a shareholder, certificate holder, member, bondholder, or other security holder, or a participating patron of a cooperative, who has not claimed it, or corresponded in writing with the business association concerning it, within five years after the date prescribed for payment or delivery, is presumed abandoned.

Sec. 10. Section 556.6, Code 1983, is amended to read as follows:

556.6 PROPERTY OF BUSINESS ASSOCIATIONS AND BANKING OR FINANCIAL ORGANIZATIONS HELD IN COURSE OF DISSOLUTION. Except as provided in section 496A.101, all intangible personal

property distributable in the course of a voluntary dissolution of a business association, banking organization, or financial organization organized under the laws of or created in this state, that is unclaimed by the owner within ~~&we-yeafa~~ one year after the date for final distribution, is presumed abandoned.

Sec. 11. Section 556.7, unnumbered paragraph 1, Code 1903, is amended to read as follows:

All intangible personal property and any income or increment thereon, held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within ~~ten~~ five years after it becomes payable or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary which shall have been dated and may have been prepared by the fiduciary or by the owner:

Sec. 12. Section 556.8, Code 1903, is amended to read as follows:

556.0 PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS AND AGENCIES. All intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this state, or a political subdivision thereof of the state, that has remained unclaimed by the owner for more than ~~ten~~ two years is presumed abandoned.

Sec. 13. Section 556.9, Code 1983, is amended to read as follows:

556.9 MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER PERSON. All intangible personal property, not otherwise covered by this chapter, including any income or increment thereon and deducting any lawful charges, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than ~~ten~~ three years after it became payable or distributable is presumed abandoned.

Sec. 14. Section 556.11, subsection 2, paragraphs a and c, Code 1983, are amended to read as follows:

a. Except with respect to traveler's checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of the value of ~~three~~ twenty-five dollars or more presumed abandoned under this chapter.

c. The nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under ~~three~~ twenty-five dollars each may be reported in aggregate.

Sec. 15. Section 556.12, subsection 2, unnumbered paragraph 1, Code 1983, is amended to read as follows:

The published notice ~~shall be entitled "Notice of Names of Persons Appearing to be Owner of Abandoned Property"~~ and shall contain:

Sec. 16. Section 556.13, Code 1983, is amended to read as follows:

556.13 PAYMENT OR DELIVERY OF ABANDONED PROPERTY. Every person who has filed a report under section 556.11, within twenty days after the time specified in section 556.12 for claiming the property from the holder, or in the case of sums payable on traveler's checks or money orders presumed abandoned under section 556.2 ~~within twenty days after the filing of the report or property~~ for which the holder is not required to report the name of the owner shall at the time of filing ~~the report,~~ shall pay or deliver to the state treasurer of state all abandoned property specified in this report, except that, if the owner establishes his the owner's right to receive the abandoned property to the satisfaction of the holder within the time specified in section 556.12, or if it appears that for ~~some~~ other reason the presumption of abandonment is erroneous, the holder need not pay or deliver the property, which will no longer be presumed abandoned, to the state treasurer of state, but in lieu thereof shall file a verified

written explanation of the proof of claim or of the error in the presumption of abandonment.

Sec. 17. Section 556.14, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

556.14 RELIEF FROM LIABILITY BY PAYMENT OR DELIVERY.

1. Upon the payment or delivery of property to the treasurer of state, the state assumes custody and responsibility for the safekeeping of the property. A person who pays or delivers property to the treasurer of state in good faith is relieved of all liability to the extent of the value of the property paid or delivered for any claim then existing or which may arise or be made in respect to the property.

2. If the holder pays or delivers property to the treasurer of state in good faith and thereafter another person claims the property from the holder or another state claims the money or property under its laws relating to escheat or abandoned or unclaimed property, the treasurer of state, upon written notice of the claim, shall defend the holder against any liability on the claim.

3. The holder of an interest under section 556.5 shall deliver a duplicate certificate or other evidence of ownership if the holder does not issue certificates of ownership to the treasurer of state. Upon delivery of a duplicate certificate to the treasurer of state, the holder and any transfer agent, registrar, or other person acting for or on behalf of a holder in executing or delivering the duplicate certificate is relieved of all liability in accordance with subsections 1 and 2 to every person, including any person acquiring the original certificate or the duplicate of the certificate issued to the treasurer of state, for any losses or damages resulting to any person by the issuance and delivery to the treasurer of state of the duplicate certificate.

4. A holder who has paid money to the treasurer of state under this chapter may make payment to any person appearing

to the holder to be entitled to payment and upon filing proof of payment and proof that the payee is entitled thereto, the treasurer of state shall reimburse the holder for the payment without imposing any fee or other charge. If reimbursement is sought for payment made on a negotiable instrument, including a traveler's check or money order, the holder must be reimbursed under this subsection upon filing proof that the instrument was duly presented and that payment was made to a person who appeared to the holder to be entitled to payment. The holder must be reimbursed for payment made under this subsection even if the payment was made to a person whose claim was barred under section 556.16.

5. A holder who has delivered property including a certificate of any interest in a business association, other than money, to the treasurer of state may reclaim the property if the property is still in the possession of the treasurer of state without paying any fee or other charge, upon filing proof that the owner has claimed the property from the holder.

6. The treasurer of state may accept the holder's affidavit as sufficient proof of the facts that entitle the holder to recover money and property under this section.

7. For purposes of this section, "good faith" means that:

a. Payment or delivery was made in a reasonable attempt to comply with this chapter.

b. The person delivering the property was not a fiduciary then in breach of trust in respect to the property and had a reasonable basis for believing, based on the facts then known to him, that the property was abandoned for the purposes of this chapter.

c. There is no showing that the records pursuant to which the delivery was made did not meet reasonable commercial standards of practice in the industry.

Sec. 18. Section 556.15, Code 1903, is amended to read as follows:

H.F. 2 92

556.15 INCOME ACCRUING AFTER PAYMENT ON DELIVERY. When property other than money is paid or delivered to the state treasurer of state under this chapter, the owner is not entitled to receive income from the treasurer of state any dividends, interest, or other increments realized or thereafter on the property at or before liquidation or conversion into money.

Sec. 19. Section 556.17, Code 1983, is amended by adding the following new subsections:

NEW SUBSECTION. 4. Unless the treasurer of state considers it to be in the best interest of the state to do otherwise, all securities, other than those presumed abandoned under section 556.5, delivered to the treasurer of state must be held for at least one year before the treasurer of state may sell them.

NEW SUBSECTION. 5. Unless the treasurer of state considers it to be in the best interest of the state to do otherwise, all securities presumed abandoned under section 556.5 and delivered to the treasurer of state must be held for at least three years before the treasurer of state may sell them. If the treasurer of state sells any securities delivered pursuant to section 556.5 before the expiration of the three-year period, any person making a claim pursuant to this chapter before the end of the three-year period is entitled to either the proceeds of the sale of the securities or the market value of the securities at the time the claim is made, whichever amount is greater, less any deduction for fees pursuant to section 556.18, subsection 2. A person making a claim under this chapter after the expiration of this period is entitled to receive either the securities delivered to the treasurer of state by the holder, if they still remain in the hands of the treasurer of state, or the proceeds received from the sale, less any amounts deducted pursuant to section 556.18, subsection 2, but no person has any claim under this chapter against the state, the holder, any transfer agent, registrar,

or other person acting for or on behalf of a holder for any appreciation in the value of the property occurring after delivery by the holder to the treasurer of state.

Sec. 20. Section 556.18, subsection 1, Code Supplement 1983, is amended to read as follows:

1. Except as provided in subsection 3, all funds received under this chapter, including the proceeds from the sale of abandoned property under section 556.17, shall be deposited by the treasurer of state in the general funds of the state. However, the treasurer of state shall retain in a separate trust fund an amount not exceeding twenty-five one hundred thousand dollars from which the treasurer of state shall make prompt payment of claims duly allowed under section ~~556.17~~ 556.20. ~~Any abandoned money or money received from the sale of abandoned property which totals twenty-five dollars or less becomes the property of the state on the date of receipt or sale as applicable and a claim filed for its recovery under section 556.19 shall not be allowed.~~ Before making the deposit of ~~more than twenty-five dollars,~~ the treasurer of state shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and of the name and last known address of each insured person or annuitant, and with respect to each policy or contract listed in the report of a life insurance corporation, its number, the name of the corporation, and the amount due. The record shall be available for public inspection at all reasonable business hours.

Sec. 21. Section 556.20, Code Supplement 1983, is amended by striking subsections 3, 4, 5, and 6.

Sec. 22. Section 556.23, Code 1983, is amended to read as follows:

556.23 EXAMINATION OF RECORDS. The ~~auditor~~ treasurer of state may at reasonable times and upon reasonable notice examine the records of any person if he the treasurer of state has reason to believe that ~~such the~~ person has failed to

report property that should have been reported pursuant to this chapter. If an examination of the records of a person results in the disclosure of property reportable and deliverable under this chapter, the treasurer of state may assess the cost of the examination against the holder at a rate not to exceed one hundred dollars a day for each examiner, but in no case may the charges exceed the value of the property found to be reportable and deliverable.

Sec. 23. Section 556.25, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

556.25 INTEREST AND PENALTIES.

1. A person who fails to pay or deliver property within the time prescribed by this chapter shall pay the treasurer of state interest at the annual rate of eighteen percent on the property or value of the property from the date the property should have been paid or delivered but in no event prior to the effective date of this chapter.

2. A person who willfully fails to pay or deliver property to the treasurer of state as required under this chapter shall pay a civil penalty equal to twenty-five percent of the value of the property that should have been paid or delivered.

Sec. 24. Chapter 556, Code 1983, is amended by inserting after section 556.27 the following new section:

NEW SECTION. **556.27A INTERSTATE AGREEMENTS AND COOPERATION.**

1. The treasurer of state may enter into agreements with other states to exchange information needed to enable this or another state to audit or otherwise determine unclaimed property that it or another state may be entitled to subject to a claim of custody. The treasurer of state by rule may require the reporting of information needed to enable compliance with agreements made pursuant to this section and prescribe the form.

2. To avoid conflicts between the treasurer of state's procedures and the procedures of unclaimed property adminis-

trators in other jurisdictions that enact the Uniform Unclaimed Property Act, the treasurer of state, so far as is consistent with the purposes, policies, and provisions of this chapter, before adopting, amending or repealing rules, shall advise and consult with the unclaimed property administrators in other jurisdictions that enact substantially the Uniform Unclaimed Property Act and take into consideration the rules of unclaimed property administrators in other jurisdictions that enact the Uniform Unclaimed Property Act.

3. The treasurer of state may join with other states to seek enforcement of this chapter against any person who is or may be holding property reportable under this chapter.

4. At the request of another state, the attorney general of this state may bring an action in the name of the unclaimed property administrator of the other state in any court of competent jurisdiction to enforce the unclaimed property laws of the other state against a holder in this state of property subject to escheat or a claim of abandonment by the other state, if the other state has agreed to pay expenses incurred by the attorney general in bringing the action.

5. The treasurer of state may request that the attorney general of another state or any other person bring an action in the name of the unclaimed property administrator in the other state. The state shall pay all expenses including attorney's fees in any action under this subsection. Any expenses paid pursuant to this subsection may not be deducted from the amount that is subject to the claim by the owner under this chapter.

Sec. 25. Sections 556.30, 556.31, 556.32, 556.33, 556.34, 556.35, and 556.36, Code 1983, are repealed.

Sec. 26. All agreements to pay compensation to recover or assist in the recovery of property reported under section 556.11, made within twenty-four months after the date payment or delivery is made under section 556.13 are unenforceable.

Sec. 27. This Act, being deemed of immediate importance,

takes effect from and after its publication in the Waverly Democrat, a newspaper published in Waverly, Iowa, and in the Iowa City Press-Citizen, a newspaper published in Iowa City, Iowa.

DONALD D. AVENSGN
Speaker of the House

ROBERT T. ANDERSON
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2522, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

not apply in townships where a contract for other library facilities is in existence.

HOUSE FILE 2524

AN ACT

INCREASING THE LIMIT ON THE TAX RATE THAT MAY BE CERTIFIED BY THE BOARD OF DIRECTORS OF A SCHOOL CORPORATION TO BE LEVIED ON TAXABLE PROPERTY IN A SCHOOL DISTRICT FOR THE USE OF A FREE PUBLIC LIBRARY BY RESIDENTS OF THE SCHOOL DISTRICT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 208.7, Code 1983, is amended to read as follows:

298.7 CONTRACT FOR USE OF LIBRARY. The board of directors of ~~any a~~ school corporation in which there is no free public library may contract with ~~any a~~ free public library for the free use of ~~such the~~ library by the residents of ~~such the~~ school district, and pay ~~such the~~ library the amount agreed ~~therefor upon for the use of the library as provided by law.~~ During the existence of ~~such the~~ contract, the board shall certify annually a tax sufficient to pay ~~such the~~ library the consideration agreed upon, not exceeding ~~six-and-three-fourths~~ twenty cents per thousand dollars of assessed value of the taxable property of ~~such the~~ district. During the existence of ~~such the~~ contract, the school corporation ~~shall~~ Be is relieved from the requirement that the school treasurer withhold funds for library purposes. This section ~~shall~~ does

DONALD D. AVENSON
Speaker of the House

CHARLES P. MILLER
President Pro Tempore of the
Senate

I hereby certify that this bill originated in the House and is known as **House** File 2524, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

H.F. 2524

HOUSE FILE 2525

AN ACT

TO INCREASE THE AUTHORIZED PROPERTY TAX LEVY FOR A BENEFITED LAW ENFORCEMENT DISTRICT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 357D.8, Code 1983, is amended to read as follows:

357D.8 ELECTION ON PROPOSED LEVY. When a preliminary plat has been approved by the board, an election shall be held within the district within sixty days to approve or disapprove the levy of a tax of not more than ~~twenty-seven cents~~ one dollar per thousand dollars of assessed value on all the taxable property within the district and to choose candidates for the offices of trustees of the district. Notice of the election, including the time and place of holding the election, shall be given as provided in section 357D.4. The vote shall be by ballot which shall state clearly the proposition to be voted upon and any qualified elector residing within the district at the time of the election may vote. It is not mandatory for the county commissioner of elections to conduct elections held pursuant to this chapter, but the elections shall be conducted in accordance with chapter 49 where not in conflict with this chapter. Judges shall be appointed to serve without pay by the board from among the qualified electors of the district to be in charge of the election. The proposition is approved if sixty percent or those voting on the proposition vote in favor of it.

Sec. 2. Section 357D.10, Code 1983, is amended to read as follows:

357D.10 TRUSTEES' POWERS. The trustees may provide law enforcement service and facilities and may certify for levy

~~an annual tax not to exceed twenty-seven cents per thousand dollars of assessed value for the purpose of exercising the powers granted in this chapter. This levy is optional with the trustees, but the levy shall not be made unless first approved by the voters~~ as provided in section 357D.8. The trustees may purchase material, employ peace officers and other personnel, and may perform all other acts necessary to properly maintain and operate the district. The trustees are allowed necessary expenses in the discharge of their duties, but they shall not receive a salary.

DONALD D. AVENSON
Speaker of the House

CHARLES P. MILLER
President Pro Tempore of the
Senate

I hereby certify that this bill originated in the House and is known as House File 2525, Seventieth General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved _____, 1984

TERRY E. BRANSTAD
Governor

H.F. 2525

SENATE FILE 2043

AN ACT

TO PROVIDE A PARTIAL PROPERTY TAX EXEMPTION FOR WAREHOUSES AND DISTRIBUTION CENTERS ON WHICH IMPROVEMENTS HAVE BEEN MADE AND ALLOW CITIES AND COUNTIES TO CONTRACT WITH PERSONS WHOSE REAL PROPERTY IS EXEMPT OR PARTIALLY EXEMPT FROM PROPERTY TAXATION TO PROVIDE CERTAIN SERVICES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Chapter 364, Code 1983, is amended by adding the following new section:

NEW SECTION. A city council or county board of supervisors may enter into a contract with a person whose property is totally or partially exempt from taxation under chapter 404, section 427.1, or section 4278.1, for the city or county to provide specified services to that person including but not limited to police protection, fire protection, street maintenance, and waste collection. The contract shall terminate as of the date previously exempt property becomes subject to taxation.

Sec. 2. Section 4278.1, unnumbered paragraph 1, Code 1983, is amended to read as follows:

A city council, or a county board of supervisors as authorized by section 427B.2, may provide by ordinance for a partial exemption from property taxation of the actual value added to industrial real estate by the new construction of industrial real estate, warehouses, distribution centers and the acquisition of or improvement to machinery and equipment assessed as real estate pursuant to section 427A.1, subsection 1, paragraph "e". New construction means new buildings and structures and includes new buildings and structures which are constructed as additions to existing buildings and structures. New construction does not include reconstruction of an existing building or structure which does not constitute complete replacement of an existing building or structure

or refitting of an existing building or structure, unless the reconstruction of an existing building or structure is required due to economic obsolescence and the reconstruction is necessary to implement recognized industry standards for the manufacturing and processing of specific products and the reconstruction is required for the owner of the building or structure to continue to competitively manufacture or process those products which determination shall receive prior approval from the city council of the city or the board of supervisors of the county upon the recommendation of the Iowa development commission. The exemption shall also apply to new machinery and equipment assessed as real estate pursuant to section 427A.1, subsection 1, paragraph "e", unless the machinery or equipment is part of the normal replacement or operating process to maintain or expand the existing operational status. Warehouse means a building or structure used as a public warehouse for the storage of goods pursuant to sections 554.7101 through 554.7603, except that it does not mean a building or structure used primarily to store raw agricultural products or from which goods are sold at retail. Distribution center means a building or structure used primarily for the storage of goods which are intended for subsequent shipment to retail outlets. Distribution center does not mean a building or structure used primarily to store raw agricultural products, used primarily by a manufacturer to store goods to be used in the manufacturing process, used primarily for the storage of petroleum products, or used for the retail sale of goods.

Sec. 3. Section 4278.3, unnumbered paragraph 1, Code 1983, is amended to read as follows:

The actual value added to industrial real estate for the reasons specified in section 4278.1 is eligible to receive a partial exemption from taxation for a period of five years. However, if property ceases to be classified as industrial real estate or ceases to be used as a warehouse or distribution center, the partial exemption for the value added shall not be allowed for subsequent assessment years. "Actual value

added" as used in this chapter means the actual value added as of the first year for which the exemption is received, except that actual value added by improvements to machinery and equipment means the actual value as determined by the assessor as of January 1 of each year for which the exemption is received. The amount of actual value added which is eligible to be exempt from taxation shall be as follows:

CHARLES P. MILLER
President Pro Tempore of the
Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2043, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor

delivered into the storage tank shall be used for public purposes.

SENATE FILE 2069

AN ACT

RELATING TO THE EXEMPTION CERTIFICATE FURNISHED BY THE STATE, ITS AGENCIES, AND POLITICAL SUBDIVISIONS OF THE STATE FOR THE DELIVERY OF TAX-EXEMPT MOTOR FUEL.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 324.3, subsection 5, Code Supplement 1983, is amended to read as follows:

5. Motor fuel sold to the state, any of its agencies, or to any political subdivision of the state, which is used for public purposes and delivered into any size of storage tank owned or used exclusively by the state, any of its agencies, or a political subdivision of the state. The department of revenue shall ~~provide~~ **issue** exemption certificate **forms** to the state, its agencies, and political subdivisions of the state ~~so that they~~, or the state, any of its agencies, or a political subdivision of the state, or a licensed motor fuel distributor may provide a **its own** certificate of exemption in the form prescribed by the director, to a distributor or dealer ~~upon the delivery of motor fuel~~ to substantiate tax-exempt sales of motor fuel under this subsection. The certificate of exemption shall ~~specify the number of gallons of motor fuel received and~~ state that all of the motor fuel

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2069, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor

SENATE FILE 2156

AN ACT

RELATING TO THE ADMINISTRATION OF THE EXTRAORDINARY PROPERTY TAX CREDIT OR REIMBURSEMENT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 425.25, Code 1983, is amended to read as follows:

425.25 ADMINISTRATION. The director of revenue shall make available suitable forms with instructions for claimants. Each assessor and county treasurer shall make available the forms and instructions. The claim shall be in ~~such a~~ a form as the director may prescribe. The director may also devise a tax credit or reimbursement table, with amounts rounded to the nearest even whole dollar. Reimbursements or credits in the amount of less than one dollar shall not be paid.

Sec. 2. Section 425.27, Code 1983, is amended to read as follows:

425.27 AUDIT OF CLAIM. If on the audit of any a claim for credit or reimbursement under this division, the director determines the amount of the claim to have been incorrectly calculated or that the claim is not allowable, the director shall recalculate the claim and notify the claimant of the recalculation or denial and the reasons for it. The director shall not adjust any a claim after three years from October 31 of the year in which the claim was filed. If the claim for reimbursement has been paid, the amount may be recovered by assessment in the same manner that income taxes are assessed under sections 422.26 and 422.30. If the claim for credit has been paid, ~~the county treasurer shall repay the amount to~~ the director and after shall give notification to the claimant and the county treasurer of the recalculation or denial of the claim, and the county treasurer shall proceed to collect the tax owed in the same manner as other property

taxes due and payable are collected and repay the amount to the director upon collection. The recalculation of the claim shall be final unless appealed as provided in section 425.31. ~~The provisions of section~~ Section 422.70 shall be is applicable with respect to this division.

CHARLES P. MILLER
President Pro Tempore of the
Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2156, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor

S.F. 2156

SENATE FILE 2205

AN ACT

RELATING TO THE FEES FOR THE REGISTRATION OF VESSELS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 106.5, subsection 1, unnumbered paragraph 2, Code 1983, is amended to read as follows:

The owner of the vessel shall file an application for registration with the appropriate county recorder on forms provided by the commission. The application shall be completed and signed by the owner of the vessel and shall be accompanied by a ~~the appropriate~~ fee ~~of eight dollars for each motorboat or sailboat, four dollars for any other vessel without sail or motor,~~ and a writing fee of one dollar. Upon applying for registration the owner shall surrender the certificate of origin to the county recorder. Upon receipt of the application in approved form accompanied by the required fees, the county recorder shall enter it upon the records of the recorder's office and shall issue to the applicant a pocket-size registration certificate. The certificate shall be executed in triplicate, one copy to be delivered to the owner, one copy to the commission, and one copy to be retained on file by the county recorder. The registration certificate shall bear the number awarded to the vessel, the passenger capacity of the vessel and the name and address of the owner.

In the use of all vessels except nonpowered sailboats, nonpowered canoes and commercial vessels the registration certificate shall be carried either in the vessel or on the person of the operator of the vessel when in use. In the use of nonpowered sailboats, nonpowered canoes or commercial vessels, the registration certificate may be kept on shore in accordance with rules ~~promulgated~~ adopted by the commission. The operator shall exhibit the certificate to ~~any a~~ peace officer upon request, or, when involved in a collision or accident of any nature with another vessel or other personal property, to the owner or operator of the other vessel or personal property.

Sec. 2. Section 106.5, subsection 3, unnumbered paragraph 1, Code 1903, is amended by striking the paragraph and inserting in lieu thereof the following:

The registration fees for vessels subject to this chapter are as follows:

- a. For vessels of any length without motor or sail, five dollars.
- b. For motorboats or sailboats less than twelve feet in length, eight dollars.
- c. For motorboats or sailboats twelve feet or more, but less than fifteen feet in length, ten dollars.
- d. For motorboats or sailboats fifteen feet or more, but less than eighteen feet in length, twelve dollars.
- e. For motorboats or sailboats eighteen feet or more, but less than twenty-five feet in length, eighteen dollars.
- f. For motorboats or sailboats twenty-five feet in length or more, twenty-eight dollars.

Every registration certificate and number issued becomes delinquent at midnight April 30 of odd-numbered years unless terminated or discontinued in accordance with this chapter. ~~After January 1 in~~ odd-numbered years, an unregistered vessel and a renewal of registration may be registered for the two-year registration period beginning May 1 of that year.

S.F. 2205

After January 1 in even-numbered years, unregistered vessels may be registered for the remainder of the current registration period at fifty percent of the appropriate registration fee.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2205, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor

SENATE FILE 2318

AN ACT

RELATING TO THE COMPUTATION OF INTEREST ON OVERPAYMENTS ARISING FROM THE CARRYBACK OF A NET OPERATING LOSS OR NET CAPITAL LOSS FOR INDIVIDUAL AND CORPORATE INCOME AND FRANCHISE TAX PURPOSES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 422.25, subsection 3, Code Supplement 1983, is amended to read as follows:

3. If the amount of the tax as determined by the department is less than the amount paid, the excess shall be refunded with interest, the interest to begin to accrue on the first day of the second calendar month following the date of payment or the date the return was due to be filed or was filed, whichever is the latest, at the rate in effect under section 421.7 counting each fraction of a month as an entire month under the rules prescribed by the director. If an overpayment of tax results from a net operating loss or net capital loss which is carried back to a prior year, the overpayment, for purposes of computing interest on refunds, shall be considered as having been made ~~at the close of the taxable year in which the net operating loss or net capital loss occurred~~ on the date a claim for refund or amended return carrying back the net operating loss or net capital loss is filed with the department or on the first day of the second calendar month following the date of the actual payment of the tax, whichever is later. However, when the net operating loss or net capital loss carryback to a prior year eliminates or reduces an underpayment of tax due for an earlier year, the full amount of the underpayment of tax shall bear interest at the rate in effect under section 421.7 for each month counting each fraction of a month as an entire month from the due date of the tax for the earlier year to the last day of the taxable

year in which the net operating loss or net capital loss occurred.

Sec. 2. This Act applies to claims for refund or amended returns resulting from the carryback of net operating losses and net capital losses filed thirty days after the effective date of this Act.

Sec. 3. This Act, being deemed of immediate importance, takes effect from and after its publication in the Union-Republican, a newspaper published in Albia, Iowa, and in the Pella Chronicle, a newspaper published in Pella, Iowa.

ROBERT T. ANDERSON
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2318, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor

S.F. 2318

SENATE FILE 2323

AN ACT

RELATING TO THE STATE INHERITANCE TAX BY CHANGING THE DUE DATE OF THE TAX, PROVIDING FOR MONTHLY INTEREST, PROVIDING FOR A PERIOD OF LIMITATIONS FOR ASSESSMENTS AND FUNDS, REQUIRING RECORDING TO GIVE A LIEN PREFERENCE AFTER A RELEASE OF THE LIEN IS ISSUED, TAXING GIFTS MADE WITHIN THREE YEARS OF DEATH, PROVIDING THAT PROPERTY TRANSFERRED TO THE STATE OR POLITICAL SUBDIVISION AS PAYMENT OF THE TAX SHALL HAVE BEEN INCLUDED IN THE DECEDENT'S GROSS ESTATE, AND MAKING TECHNICAL CORRECTIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 450.3, subsection 2, Code 1983, is amended to read as follows:

2. By deed, grant, sale, gift or transfer made ~~in contemplation within three years~~ of the death of the grantor or donor, ~~and any such transfer of property made by any person within three years prior to the death of the grantor or donor shall, unless shown to the contrary, be deemed to have been made in contemplation of death~~ which is not a bona fide sale for an adequate and full consideration in money or money's worth and which is in excess of the annual gift tax exclusion allowable for each donee under section 2503, subsections a and e of the Internal Revenue Code of 1954 as defined in section 422.4.

Sec. 2. Section 450.6, Code 1983, is amended to read as follows:

450.6 ACCRUAL OF TAX--MATURITY--EXTENSION OF TIME. The tax imposed ~~(is)~~ by this chapter accrues at the death of the decedent owner, and shall be paid to the department of revenue ~~within a nine-months~~ on or before the last day of the ninth month after the death of the decedent owner except when ~~if~~ otherwise provided in this chapter. ~~When~~ if in the opinion

of the director of revenue additional time should be granted for payment to avoid hardship, the director may extend the period to a date not exceeding ten years from the ~~date of~~ last day of the month in which the death of the decedent occurred. In the case of any an extension the tax ~~shall bear bears~~ interest at the rate in effect under section 421.7 from the expiration of ~~nine months from the date of~~ the last day of the ninth month after the decedent's death. Interest shall be computed on a monthly basis with a fraction of a month counted as a full month.

Upon the approval of the executive council, the tax liability of any a beneficiary, heir, surviving joint tenant or other transferee may be paid, in lieu of money, in whole or in part by the transfer of real property or tangible personal property to the state or a political subdivision of the state to be used for public purposes. Before the tax liability may be paid by transfer of property to a political subdivision, the governing body of the political subdivision shall also approve the transfer. ~~if the~~ The property transferred in payment of tax ~~is~~ shall have been included in the decedent's gross estate for inheritance tax purposes ~~and~~ and its value for the payment of the tax shall be the same as its value for inheritance tax purposes. ~~Property transferred in payment of the tax which is not included in the decedent's gross estate for inheritance tax purposes shall be valued by agreement of the executive council and the taxpayer.~~ The acceptance or rejection of the property in payment of the tax liability and the agreed value of the property shall be certified by the executive council to the director of revenue. The acceptance of the property transferred ~~shall act~~ acts as payment and satisfaction of the inheritance tax liability to the extent of the value of the transferred property, but notwithstanding any other provision, the taxpayer ~~shall~~ is not be entitled to a refund if the transferred property has a value in excess of the tax liability.

Sec. 3. Section 450.7, subsection 2, unnumbered paragraph 1, Code Supplement 1983, is amended to read as follows:

Notice of the lien is not required to be recorded. The rights of the state under the lien have priority over all subsequent mortgages, purchases, or judgment creditors; and a conveyance after the decedent's death of the property subject to a lien does not discharge the property except as otherwise provided in this chapter. However, if additional tax is determined to be owing under this chapter or chapter 451 after the lien has been released under paragraph "a" or "b", the lien does not have priority over subsequent mortgages, purchases, or judgment creditors unless notice of the lien is recorded in the office of the recorder of the county where the estate is probated, or where the property is located if the estate has not been administered. The department of revenue may release the Lien by filing in the office of the clerk of the court in the county where the property is located, the decedent owner died, or the estate is pending or was administered, one of the following:

Sec. 4. section 450.8, Code 1983, is amended to read as follows:

450.8 TRANSFERS IN CONTEMPLATION-OF-DEATH TRUST. If the decedent makes transfer of, or creates a trust with respect to, any property in-contemplation-of-his-death passing under section 450.3, subsection 2, or intended to take effect after his death, (except in the case of a bond fide sale for a fair consideration in money or money's worth), and if the tax in respect thereto to the transfer is not paid when due, the transferee or trustee shall-be is personally liable for such the tax, and such the property, to the extent of the decedent's interest therein in the property at the time of his death, shall-be is subject to a lien for the payment of such the tax.

Sec. 5. Section 450.45, Code Supplement 1983, is amended to read as follows:

450.45 LIFE AND TERM ESTATES--VALUATION. When if an estate or interest for life or term of years in real property is given to a party other than those ~~especially~~ exempt by this chapter, the property shall be valued as provided in section 450.37 as is provided in ordinary cases, and the party entitled to the estate or interest shall, ~~within-nine-months~~ on or before the last day of the ninth month from the death of the decedent owner, pay the tax, and in default the court shall order the estate or interest, or as much as necessary to pay the tax, penalty, and interest, to be sold.

Sec. 6. Section 450.46, Code Supplement 1983, is amended to read as follows:

450.46 DEFERRED ESTATE--VALUATION. Upon the determination of any a prior estate or interest, when the remainder or deferred estate or interest or any a part of it is subject to tax and the tax upon the remainder or deferred interest has not been paid, the persons entitled to the remainder or deferred interest shall immediately report to the department of revenue the fact of the determination of the prior estate, and upon receipt of the report, or upon information from any source, of the determination of any a prior estate when the remainder interest has not been valued for the purpose of assessing tax, the property shall be valued as provided in like cases in section 450.44 and the tax upon the remainder interest shall be paid by the person who owns the remainder interest ~~within-nine-months~~ on or before the last day of the ninth month after the determination of the prior estate. If the tax is not paid within this time the court shall then order the property, or as much as necessary to pay the tax, penalty, and interest, to be sold.

Sec. 7. Section 450.47, Code Supplement 1983, is amended to read as follows:

450.47 LIFE AND TERM ESTATES IN PERSONAL PROPERTY. When if an estate or interest for life or term of years in personal property is given to one or more persons other than those ~~especially~~ exempt by this chapter and the remainder or deferred

estate to others, the property devised or conveyed shall be valued under section 450.37 as provided in ordinary estates and the value of the estates or interests devised or conveyed shall be determined as provided in section 450.51, and the tax upon the estates or interests liable for the tax shall be paid to the department of revenue from the property valued or by the persons entitled to the estate or interest ~~within nine months from~~ on or before the last day of the ninth month after the death of the testator, grantor, or donor. However, payment of the tax upon any a deferred estate or remainder interest may be deferred until the determination of the prior estate by the giving of a good and sufficient bond as provided in section 450.48.

Sec. 8. Section 450.55, Code Supplement 1983, is amended to read as follows:

450.55 MEANS TO COLLECT TAX. ~~Sections~~ The provisions of sections 422.26 and 422.30, pertaining to the lien except the requirements of recording, collection of tax, jeopardy assessments⁷ and distress warrants, apply to the unpaid tax, penalty, and interest imposed under this chapter. In addition the director of revenue may bring, or cause to be brought in the director's name of office, suit for the collection of the tax, penalty, interest, and costs, against the personal representative or against the person entitled to property subject to the tax, or upon any bond given to secure payment of the tax, either jointly or severally, and upon obtaining judgment may cause execution to be issued as is provided by statute in other cases. The proceedings shall conform as nearly as may be to those for the collection of ordinary debt by suit.

Sec. 9. Section 450.94, subsection 3, Code Supplement 1983, is amended to read as follows:

3. If the amount paid is greater than the correct tax, penalty and interest due, the department shall refund the excess, with interest after sixty days from the date of payment at the rate in effect under section 421.7, under the ~~provi-~~

~~sions-of~~ rules prescribed by the director. However, the director shall not allow a claim for refund or credit that has not been filed with the department within ~~five~~ three years after the tax payment upon which a refund or credit is claimed became due, or one year after the tax payment was made, whichever time is the later. A determination by the department of the amount of tax, penalty and interest due, or the amount of refund for excess tax paid, is final unless the person aggrieved by the determination appeals to the director for a revision of the determination within ninety days from the postmark date of the notice of determination of tax, penalty and interest due or refund owing. The director shall grant a hearing, and upon the hearing the director shall determine the correct tax, penalty and interest or refund due, and notify the appellant of the decision by certified mail. The decision of the director is final unless the appellant seeks judicial review of the director's decision under section 450.59 within sixty days after the postmark date of the notice of the director's decision.

Sec. 10. Section 450.94, Code Supplement 1983, is amended by adding the following new subsection:

NEW SUBSECTION. The amount of tax imposed under this chapter shall be assessed according to one of the following:

- a. Within three years after the return is filed with respect to property reported on the final inheritance tax return.
- b. At any time after the tax became due with respect to property not reported on the final inheritance tax return, but not later than three years after the omitted property is reported to the department on an amended return or on the final inheritance tax return if one was not previously filed.

Sec. 11. Section 451.12, Code 1983, is amended to read as follows:

451.12 APPLICABLE STATUTES. All the provisions of chapter 450 with respect to the lien provisions of section 450.7, and the determination, imposition, payment and collection

of the tax imposed⁷ under that chapter, including penalty and interest upon delinquent taxes, are applicable to ~~the provisions of~~ this chapter, except as they are in conflict with this chapter. The director of revenue shall adopt ~~and promulgate~~ rules necessary for the enforcement of this chapter.

Sec. 12. This Act, except for section 8, applies to the estates of persons dying on or after its effective date.

Sec. 13.. Section 8 of this Act applies to taxes, penalties, and interest still owing on the effective date of this Act and to taxes, penalties, and interest becoming due on or after that effective date.

CHARLES P. MILLER

President Pro Tempore of the
Senate

DONALD D. AVENSON

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File **2323**, Seventieth General Assembly.

K. MARIE THAYER

Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD

Governor

VIDING FOR SPOT INSPECTIONS AND ODOMETER LAW ENFORCEMENT, FUNDING FROM THE ROAD USE TAX FUND THE DRIVER'S LICENSE PROGRAM OF THE STATE DEPARTMENT OF TRANSPORTATION AND THE DIVISION OF THE HIGHWAY SAFETY AND UNIFORMED FORCE OF THE DEPARTMENT OF PUBLIC SAFETY, BY PROVIDING FOR THE CREATION OF AN IOWA ECONOMIC EMERGENCY FUND INCLUDING ITS FUNDING, BY PROVIDING FOR THE PAYMENT OF ONE-HALF OF THE ADDITIONAL PERSONAL PROPERTY TAX CREDIT IN THE FISCAL YEAR BEGINNING JULY 1, 1984, BY IMPOSING THE SALES, SERVICE AND USE TAX ON LICENSED EXECUTIVE SEARCH AGENCIES, BEVERAGES, ELECTRONIC REPAIR AND INSTALLATION AND THE RENTAL OF TANGIBLE PERSONAL PROPERTY, AND MAKING CERTAIN PROVISIONS OF THE ACT RETROACTIVE.

SENATE FILE 2330

AN ACT

RELATING TO THE FINANCING OF STATE GOVERNMENT BY PROVIDING FOR A REDUCTION IN GENERAL FUND APPROPRIATIONS THROUGH REALLOCATION OF GENERAL FUND FINANCIAL AID TO MERGED AREA SCHOOLS, BY REDUCING OR ELIMINATING CERTAIN CAPITAL APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1983 AND APPROPRIATING FUNDS FOR CAPITAL PROJECTS FOR THE FISCAL YEAR BEGINNING JULY 1, 1984, BY UPDATING REFERENCES TO THE INTERNAL REVENUE CODE FOR INDIVIDUAL AND CORPORATE INCOME TAX, FRANCHISE TAX, AND INHERITANCE TAX PURPOSES WITH COORDINATING AMENDMENTS, BY RESTRUCTURING THE FEE FOR OPERATOR'S AND CHAUFFEUR'S LICENSES, INCREASING CERTIFICATE OF TITLE FEES, DUPLICATE TITLE FEES, TRAILER AND MOTORIZED BICYCLE FEES, INCLUDING ALLOCATION OF THOSE FEES TO THE ROAD USE TAX FUND AND COUNTY TREASURERS, PRO-

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

Section 1. 1983 Iowa Acts, chapter 197, section 8, subsection 12, paragraph a, is amended to read as follows:

a. For general state financial aid to merged areas as defined in section 280A.2 ~~\$56,455,501~~
42,341,626

It is the intent of the general assembly that **funds** appropriated in this paragraph shall be used only for allocation to merged area schools for general aid purposes. **Funds** appropriated in this paragraph shall not be allocated to the merged area schools pursuant to chapter 286A, but shall be allocated by a formula approved by the state board of public instruction. The formula shall provide each merged area school with the same amount of state financial aids as the merged area school received during the fiscal year beginning July 1, 1982 and ending June 30, 1983 and a proportionate amount of the remaining funds appropriated in this paragraph. The remaining funds shall be allocated to

each merged area school based upon **the** proportion that the student contact hours of enrollment eligible to receive general state financial aid for the merged area school for the fiscal year beginning July 1, 1982 and ending June 30, 1983 bears to the total number of student contact hours of enrollment **for** all merged area schools for the fiscal year beginning July 1, 1982 and ending June 30, 1983.

General state aid paid to area schools under this paragraph for expenditures incurred during the fiscal year beginning July 1, 1983 and ending June 30, 1984, shall be paid by the state comptroller in installments due on or about November 15, February 15, and May 15 of the fiscal year. The payment received on August 15 is an account receivable for the previous fiscal year. The installments shall be as nearly equal as possible as determined by the state comptroller, taking into consideration the relative budget and cash position of the state resources.

There is appropriated from the general fund of the state to the department of public instruction for the fiscal year beginning July 1, 1984 and ending June 30, 1985, for general state aid to merged areas, as defined in section 28QA.2, the amount of thirteen million seven hundred eighteen thousand six hundred eighty-seven (13,718,687) dollars to be accrued as income and used for expenditures incurred by the area schools during the fiscal year beginning July 1, 1983 and ending June 30, 1984. Funds appropriated by this paragraph shall be allocated pursuant to this paragraph and paid on or about August 15, 1984.

Sec. 2. 1902 Iowa Acts, chapter 1264, section 1, is amended to read as follows:

SECTION 1. There is appropriated from the general fund of the state to the state conservation commission for the fiscal period beginning July 1, 1982 and ending June 30, 1985 the amount of seven hundred ~~forty-four~~ **FOUR** thousand ~~(744,000)~~ **(704,000)** dollars, or as much as is necessary to be expended

by the commission for projects highest on the priority list submitted to the joint appropriations subcommittee and approved by the commission **for** construction, replacement, development, and alterations to state parks and preserves, state forest facilities and state waters, engineering and planning services, or to supplement any prior appropriation **for** such purposes or for the open spaces land acquisition program. Any unencumbered or unobligated funds appropriated by this section remaining on June 30, 1985 shall revert to the general fund on September 30, 1985.

Sec. 3. 1983 Iowa Acts, chapter 191, section 11, is amended to read as follows:

SEC. 11. There is appropriated from the general fund of the state to the department of social services, for the fiscal year beginning July 1, 1983, and ending June 30, 1984, for capital improvements at the state hospital-schools, the following amount, or so much thereof as is necessary:

1983-1984
<u>Fiscal Year</u>
\$ 3,000,000
<u>2,721,550</u>

Unobligated or unencumbered funds appropriated by this section for the fiscal year beginning July 1, 1983, and ending June 30, 1984, remaining on June 30, 1987, shall revert to the general fund of the state on September 30, 1987. However, if the projects for which these funds are appropriated are completed prior to June 30, 1987, the remaining unobligated or unencumbered funds shall revert to the general fund of the state on September 30 following the end of the fiscal year in which the projects are completed.

Sec. 4. 1983 Iowa Acts, chapter 195, section 2, is amended to read as follows:

SEC. 2. There is appropriated from the federal oil overcharge funds apportioned to Iowa under Pub. L. No. 97-377. to the energy policy council, the sum of five hundred

seventy-five thousand (575,000) dollars, or so much thereof as is necessary, to be used in conjunction with the funds appropriated available to the board of regents ~~under section 1-34 of this Act~~ for energy conservation projects. Unobligated or unencumbered funds remaining on June 30, 1986, from funds appropriated by this section shall revert to the general fund of the state on September 30, 1986.

Sec. 5. 1983 Iowa Acts, chapter 195, section 3, is amended to read as follows:

SEC. 3. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1983 and ending June 30, 1984, to the state board of regents, the sum of ~~eight~~ FOUR million ~~nine~~ six hundred ~~five~~ sixty-six thousand ~~(8,905,000)~~ (4,666,000) dollars, or so much thereof as necessary, for allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, the university of northern Iowa, and the Iowa braille and sight-saving school to undertake the following capital projects:

- 1. state university of Iowa:
 - a. Fire safety deficiency corrections.
 - b. Communications facility and field house/athletic office building equipment.
 - c. Chemistry/botany remodeling.
- 2. Iowa state university of science and technology:
 - a. Fire safety deficiency corrections.
 - b. Mechanical engineering equipment.
 - c. Planning for phase 2 of the college of education building.
- 3. University of northern Iowa:
 - a. Fire safety deficiency corrections.
 - b. Gilchrist hall renovations.
- 4. Iowa braille and sight-saving school:
 - Utility system master plan and other campus improvements.

Sec. 6. 1983 Iowa Acts, chapter 195, section 6, subsection 1, paragraph b, is amended by striking the paragraph.

Sec. 7. 1983 Iowa Acts, chapter 195, section 8, subsection 1, unnumbered paragraph 1, is amended to read as follows:

There is appropriated from the general fund of the state to the department of ~~human services, division of adult~~ corrections, for the fiscal year beginning July 1, 1983, and ending June 30, 1984, the sum of ~~eight~~ FIVE hundred ~~fifty-two~~ ninety-seven thousand ~~(852,000)~~ (597,000) dollars, or so much thereof as necessary for capital improvements at the Iowa state penitentiary to bring the penitentiary into compliance with the federal court order which requires such improvements, for construction at the Luster Heights work camp, for construction of an Iowa state industries' laundry facility at the medium security correctional facility at Mt. Pleasant and to renovate a bathroom for use of the handicapped at the Iowa correctional institution for women, ~~however, it is a condition of this appropriation that if funds for each project are not allocated the total sum appropriated shall revert to the general fund of the state.~~

Sec. 8. 1983 Iowa Acts, chapter 195, section 9, subsection 1, unnumbered paragraph 1, is amended to read as follows:

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1983, and ending June 30, 1984 for capital improvements, including major maintenance projects, at the institutions under the control of the department of human services, the following amount, or so much thereof as is necessary:

	1983-1984
	<u>Fiscal Year</u>
	\$ 978,000
	<u>41,000</u>

Sec. 9. 1983 Iowa Acts, chapter 95, section 12, subsection 1, paragraphs b and d, are amended to read as follows:

- b. For emergency major repairs or replacements of equipment, roofs or

windows \$ ~~457,000~~
20,000

d. For repair of the roof of the vehicle dispatcher building and the repair of the roof of the micrographics building

\$ ~~947,500~~
4,500

Sec. 10. 1983 Iowa Acts, chapter 195, section 12, subsection 1, paragraphs e, f, and g, are amended by striking the paragraphs.

Sec. 11. 1983 Iowa Acts, chapter 195, section 12, subsection 2, paragraph b, is amended to read as follows:

b. For repair of the roof and dome of the state historical building \$ ~~1007,000~~
20,000

Sec. 12. 1983 Iowa Acts, chapter 195, section 12, subsection 2, paragraphs c, d, and e, are amended by striking the paragraphs.

Sec. 13. 1983 Iowa Acts, chapter 195, section 15, subsection 3, paragraphs b and c, are amended to read as follows:

b. For Swan lake restoration \$ ~~1107,000~~
15,000

c. For construction, replacement, development and alterations to state parks and preserves, state forest facilities and state waters including artificial lake development; shoreline erosion and siltation control; river, stream and lake access; and engineering and planning services or to supplement any prior appropriation for such purposes

\$ ~~9867,500~~
325,000

Sec. 14. 1983 Iowa Acts, chapter 195, section 18, is amended to read as follows:

SEC. 18. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1983 and ending June 30, 1984 to the treasurer of state the sum of ~~ene-hundred thirty-nine thousand (139,000)~~ (39,000) dollars, or so much thereof as necessary, to be used for the purchase of an investment machine and system.

Sec. 15. 1983 Iowa Acts, chapter 197, section 9, subsection 1, paragraph c, is amended to read as follows:

c. For allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, and the university of northern Iowa in amounts as may be necessary to reimburse the institutions for deficiencies in their operating funds resulting from the pledging of tuitions, student fees and charges and institutional income to finance the cost of providing academic and administrative buildings and facilities and utility services at the institutions \$ ~~13,270,000~~
12,417,696

Any unexpended funds appropriated in this section shall revert to the general fund on June 30, 1985. Such unexpended funds may be used for tuition replacement needs in the fiscal year beginning July 1, 1984.

Sec. 16. 1983 Iowa Acts, chapter 195, section 1, is repealed on the effective date of this Act.

Sec. 17. Section 8.33, 1983 Code Supplement, unnumbered paragraph 2, is amended to read as follows:

No payment of an obligation for goods and services shall be charged to an appropriation subsequent to the last day of the fiscal term for which the appropriation is made unless such goods or services are received on or before ~~the last day-of-the-fiscal-term~~ September 15 of the following fiscal year, except that repair projects, purchase of specialized equipment and furnishings, and other contracts for services and capital expenditures for the purchase of land or the erection of buildings or new construction or remodeling, which were committed and in progress prior to the end of the fiscal term are excluded from this provision.

Sec. 18. There is appropriated from the road use tax fund to the general fund of the state for the fiscal year beginning July 1, 1983 and ending June 30, 1984, the sum of three million six hundred forty-eight thousand eight hundred fifty-two (3,648,852)dollars to fund the operation and administration of the driver's license program within the state department of transportation.

Sec. 19. There is appropriated from the road use tax fund to the general fund of the state for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of three million seven hundred thousand (3,700,000)dollars to fund the operation and administration of the driver's license program within the state department of transportation.

Sec. 20. There is appropriated from the general fund of the state For the administration and supervision of the public highways to the department of public safety for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amount, or so much thereof as is necessary, to be used for funding the following functions and programs for the purposes designated:

For salaries, support, maintenance, and miscellaneous purposes of the division of highway safety and uniformed force for the

administration and supervision of the public highways, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated \$16,232,000

However, the unfunded liability of the peace officers retirement accident and disability system, as of July 1, 1984, shall in no way be considered a liability of the road use tax fund.

DIVISION II

Sec. 21. Chapter 8, Code 1983, is amended by adding the following new section:

NEW SECTION. IOWA ECONOMIC EMERGENCY FUND.

1. The Iowa economic emergency fund is created. The fund shall be separate from the general fund of the state and the balance in the fund shall not be considered part of the balance of the general fund of the state, except for purposes of determining the annual inflation factor under section 422.4, subsection 18, the balance in the fund shall be considered part of the general fund of the state. The moneys in the fund shall not revert to the general fund, notwithstanding section 8.33, unless and to the extent the fund exceeds the maximum balance.

2. The maximum balance of the Iowa economic emergency fund is the amount equal to ten percent of the funds appropriated from the general fund of the state during the preceding fiscal year. There is appropriated from any surplus existing in the general fund of the state at the conclusion of the fiscal year to the Iowa economic emergency fund an amount equal to the smaller of the amount of the surplus or the amount necessary to achieve the maximum balance.

3. The moneys in the Iowa economic emergency fund may be appropriated by the general assembly only in the fiscal year for which the appropriation is made and only for a purpose for which the general assembly previously appropriated funds for that fiscal year. However, the balance in the Iowa economic emergency fund may be used in determining the cash position of the general fund of the state for the payment of state obligations.

DIVISION III

Sec. 22. Section 998.7, subsection 1, paragraph m, Code Supplement 1983, is amended to read as follows:

m. The person or organization conducting the game can show to the satisfaction of the department that the person or organization is eligible for exemption from federal income taxation under either section 501(c)(3), 501(c)(5), 501(c)(6), 501(c)(10) or 501(c)(19) of the Internal Revenue Code of 1954, as defined in section ~~422.4~~ 422.3. However, this paragraph does not apply to a political party as defined in section 43.2, to a nonparty political organization that has qualified to place a candidate as its nominee for statewide office pursuant to chapter 44, or to a candidate committee as defined in section 56.2.

Sec. 23. Section 175.2, subsection 7, Code Supplement 1983, is amended to read as follows:

7. "Depreciable agricultural property" means personal property suitable for use in farming for which an income tax deduction for depreciation is allowable in computing federal income tax under the Internal Revenue Code of 1954 as defined in section ~~422.4~~ 422.3.

Sec. 21. Section 220.45, unnumbered paragraph 1, Code 1983, is amended to read as follows:

For purposes of this section, "Internal Revenue Code of 1954" means the same as defined in section ~~422.4~~ 422.3, "state ceiling" means the same as defined in section 103A(g)(4) of the Internal Revenue Code of 1954, and "qualified mortgage

bonds" means the same as defined in section 103A(c) of the Internal Revenue Code of 1954.

Sec. 25. Section 422.3, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 5. "Internal Revenue Code of 1954" means the Internal Revenue Code of 1954, as amended to and including January 1, 1984.

Sec. 26. Section 422.4, subsection 17, Code Supplement 1983, is amended by striking the subsection.

Sec. 27. Section 422.4, subsection 19, Code Supplement 1983, is amended to read as follows:

19. For purposes of section ~~422.4~~ 422.3, subsection ~~17~~ 5, the Internal Revenue Code of 1954 shall be interpreted to include the provisions of Pub. L. No. 98-4.

Sec. 28. Section 422.6, unnumbered paragraph 1, Code Supplement 1983, is amended to read as follows:

The tax imposed by section 422.5 ~~and credit for increasing research activities granted less the credits allowed~~ under section 422.10, ~~shall section 422.11, and the personal exemption credit allowed under section 422.12~~ apply to and ~~become are~~ a charge against estates and trusts with respect to their taxable income, and the rates ~~shall be~~ are the same as those applicable to individuals. The fiduciary shall ~~be responsible for making~~ make the return of income for the estate or trust for which the fiduciary acts, whether the income is taxable to the estate or trust or to the beneficiaries ~~thereon~~.

Sec. 29. Section 422.7, subsection 6, Code Supplement 1983, is amended to read as follows:

6. Individual taxpayers and married taxpayers who file a joint federal income tax return and who elect to file a joint return, separate returns or separate filing on a combined return for Iowa income tax purposes, may avail themselves of the ~~sick-pay~~ disability income exclusion and shall compute the amount of ~~sick-pay~~ the disability income exclusion subject

to the limitations for joint federal income tax return filers provided by section 105(d) of the Internal Revenue Code of 1954. The disability income exclusion provided in section 105(d) of the Internal Revenue Code of 1954, as amended up to and including December 31, 1982, continues to apply for state income tax purposes for tax years beginning on or after January 1, 1984.

Sec. 30. Section 422.7, Code Supplement 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 19. Married taxpayers, who file a joint federal income tax return and who elect to file separate returns or who elect separate filing on a combined return for state income tax purposes, shall include in net income any social security benefits or tier 1 railroad retirement benefits received to the same extent as those benefits are taxable on the taxpayer's joint federal return for that year under section 86 of the Internal Revenue Code of 1954. The benefits included in net income must be allocated between the spouses in the ratio of the social security benefits or tier 1 railroad retirement benefits received by each spouse to the total of these benefits received by both spouses.

Sec. 31. Section 422.9, subsection 1, Code Supplement 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. A taxpayer who claims the optional standard deduction under this subsection may, after claiming the optional standard deduction, claim the direct charitable contribution as allowed and subject to the same limitations provided under section 170(i) of the Internal Revenue Code of 1954 for tax years ending on or before December 31, 1986. However, the deduction shall be computed as provided under section 170(i) of the Internal Revenue Code of 1954 as applied to tax year 1984. Married taxpayers who have filed a joint federal return and who elect to file separate returns or separately on a combined state return must allocate their

allowable charitable deduction to each spouse in the proportion that each spouse's respective net income bears to the total combined net income. Taxpayers affected by the allocation provisions of section 422.8 shall be permitted a deduction in the amount as is fairly and equitably allocable to Iowa under rules prescribed by the director.

Sec. 32. Section 422.12, subsection 1, paragraph a, Code Supplement 1983, is amended to read as follows:

a. For an estate or trust, a single individual, or a married person filing a separate return, fifteen dollars.

Sec. 33. Section 422.32, subsection 12, Code Supplement 1983, is amended to read as follows:

12. For purposes of section ~~422.32~~ 422.3, subsection 4 5, the Internal Revenue Code of 1954 shall be interpreted to include the provisions of Pub. L. No. 98-4.

Sec. 34. Section 422.32, subsection 4, Code Supplement 1983, is amended by striking the subsection.

Sec. 35. Section ~~425.23~~, subsection 3, paragraph b, Code Supplement 1983, is amended to read as follows:

b. For purposes of this subsection, a totally disabled person in computing household income shall deduct all medical and necessary care expenses paid during the twelve-month income tax accounting periods used in computing household income which are attributable to the person's total disability. "Medical and necessary care expenses" are those used in computing the federal income tax deduction under section 213 of the Internal Revenue Code of 1954 as defined in section ~~422.4~~ 422.3.

Sec. 36. Section 442.15, unnumbered paragraph 2, Code Supplement 1983, is amended to read as follows:

The school district income surtax shall be imposed on the state individual income tax for the calendar year during which the school's budget year begins, or for a taxpayer's fiscal year ending during the second half of that calendar year or the first half of the succeeding calendar year, and shall

be imposed on all individuals residing in the school district. on the last day of the applicable tax year. As used in this section, "state individual income tax", means the tax computed under section 422.5, less the deductions allowed in ~~section~~ sections 422.10, 422.11 and 422.12.

Sec. 31. Section 450.37, subsection 1, paragraph b, Code Supplement 1983, is amended to read as follows:

b. The alternate value of the property, if the personal representative so elects, that has been established for federal estate tax purposes under section 2032 of the Internal Revenue Code of 1954 as defined in section ~~422.4~~ 422.3. The election shall be exercised on the return by the personal representative or other person signing the return, within the time prescribed by law for filing the return or before the expiration of any extension of time granted for filing the return.

Sec. 38. Section 450A.1, subsection 2, Code 1983, is amended to read as follows:

2. "Internal Revenue Code of 1954" means the ~~Internal Revenue Code of 1954 same~~ as defined in section ~~422.4~~ 422.3.

Sec. 39. Section 450B.1, subsection 1, Code Supplement 1983, is amended to read as follows:

1. "Internal Revenue Code of 1954" means the same as defined in section ~~422.4~~ 422.3.

Sec. 40. Section 451.1, subsection 8, Code 1983, is amended to read as follows:

8. ~~The term~~ "Internal Revenue code of 1954" ~~shall have~~ means the same meaning as ~~ascribed to it~~ defined in section ~~422.4~~ 422.3.

Sec. 41. Section 634.5, Code 1983, is amended to read as follows:

634.5 INTERNAL REVENUE CODE DEFINED. All references to sections of the Internal Revenue Code of 1954 ~~shall mean the Code as amended to and including January 17, 1971~~ mean the Internal Revenue Code of 1954 as defined in section 422.3.

Sec. 42. It is the intent of the general assembly that

the department of revenue shall conduct a study during the 1984 interim to determine a feasible method of disallowing certain interest expense deductions on tangible personal property which is manufactured or substantially assembled outside of the United States and which is purchased by a taxpayer. The department shall submit its report to the Seventy-first General Assembly not later than February 1, 1985.

Sec. 43. This Division, except sections 29, 30, and 31, is retroactive to January 1, 1983 for tax years beginning on or after January 1, 1983.

Sec. 44. Sections 29, 30, and 31 are retroactive to January 1, 1984 for tax years beginning on or after January 1, 1984.

DIVISION IV

Sec. 45. Chapter 307, Code 1983, is amended by adding the following new section:

NEW SECTION. 307.36 .ODOMETER LAW ENFORCEMENT. The department shall investigate and prosecute violators of the state and federal odometer law. The department shall refer available evidence concerning a possible violation of section 321.71 or the federal odometer law or a rule or order issued under section 321.71 or the federal odometer law to the attorney general. The attorney general, with or without the referral, may institute appropriate criminal proceedings or may direct the case to the appropriate county attorney to institute appropriate criminal proceedings. The attorney general may use those funds available to the department for this purpose and law enforcement agencies may be reimbursed for expenses incurred in the enforcement of the state and federal odometer laws with the approval of the attorney general and concurrence by the department.

Sec. 46. Section 312.2, Code Supplement 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 16. The treasurer of state, before making the allotments provided for in this section, shall credit

annually to the state department of transportation from the road use tax fund an amount equal to twenty-five cents on each title issuance for state and federal odometer law enforcement purposes. This subsection is effective for the fiscal period beginning July 1, 1984 and ending June 30, 1989.

Sec. 47. Section 321.20, unnumbered paragraph 1, Code 1983, is amended to read as follows:

Except as provided in this chapter, every owner of a vehicle subject to registration shall make application to the county treasurer, of the county of the owner's residence, or if a nonresident, to the county treasurer of the county where the primary users of the vehicle are located, for the registration and issuance of a certificate of title for the vehicle upon the appropriate form furnished by the department, accompanied by a fee of ~~two~~ ten dollars, and every application shall bear the signature of the owner written with pen and ink. However, a nonresident owner of two or more vehicles subject to registration may make application for registration and issuance of a certificate of title for all vehicles subject to registration to the county treasurer of the county where the primary user of any of the vehicles is located. The owner of a mobile home shall make application for a certificate of title under this section. The application shall contain:

Sec. 48. Section 321.23, subsections 1 and 4, Code Supplement 1983, are amended to read as follows:

1. If the vehicle to be registered is a specially constructed, reconstructed, remanufactured or foreign vehicle, such fact shall be stated in the application. A fee of ~~two~~ ten dollars shall be paid by the person making the application upon issuance of a certificate of title by the county treasurer. With reference to every specially constructed or reconstructed motor vehicle subject to registration the application shall be accompanied by a statement from the department authorizing the motor vehicle to be titled and registered in this state. The department shall cause a

physical inspection to be made of all specially constructed or reconstructed motor vehicles, upon application for a certificate of title by the owner, to determine whether the motor vehicle is in a safe operating condition and that the integral component parts are properly identified and that the rightful ownership is established before issuing the owner the authority to have the motor vehicle registered and titled. With reference to every foreign vehicle which has been registered outside of this state the owner shall surrender to the treasurer all registration plates, registration cards, and certificates of title, or, if vehicle to be registered is from a nontitle state, the evidence of foreign registration and ownership as may be prescribed by the department except as provided in subsection 2.

4. Any vehicle which does not meet the equipment requirements of this chapter due to the particular use for which it is designed or intended, may be registered by the department upon payment of appropriate fees and after inspection and certification by the department that the vehicle is not in an unsafe condition and will not endanger any person. A person is not required to have a certificate of title to register a vehicle under this subsection. If the owner elects to have a certificate of title issued for the vehicle, a fee of ~~two~~ ten dollars shall be paid by the person making the application upon issuance of a certificate of title. If the department's inspection reveals that that vehicle may be safely operated only under certain conditions or on certain types of roadways, the department may restrict the registration to limit operation of the vehicle to the appropriate conditions or roadways. This subsection shall not apply to snowmobiles as defined in section 321G.1. Section 321.382 does not apply to a vehicle registered under this subsection which is operated exclusively by a handicapped person who has obtained a special identification device as provided in section 601E.6, providing the special identification device is carried in the vehicle and shown to any peace officer on request.

Sec. 49. Section 321.34, subsection 5, paragraph a, Code Supplement 1983, is amended to read as follows:

a. Upon application and the payment of a fee of twenty-five dollars, the director may issue to the owner of a motor vehicle registered in this state or a trailer with a gross weight of one thousand pounds or less, personalized registration plates marked with the initials, letters, or a combination of numerals and letters requested by the owner. Upon receipt of the personalized registration plates, the applicant shall surrender the regular registration plates to the county treasurer. The fee for issuance of the personalized registration plates shall be in addition to the regular annual registration fee.

Sec. 50. Section 321.37, Code 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH It is unlawful for the owner of a vehicle to place any frame around or over the registration plate which does not permit full view of all numerals and letters printed on the registration plate.

Sec. 51. Section 321.42, unnumbered paragraph 2, Code 1983, is amended to read as follows:

If a certificate of title is lost or destroyed, the owner or lienholder shall apply for a certified copy of the original certificate of title. The application shall be made to the department or county treasurer who issued the original certificate of title. The application shall be signed by the owner or lienholder and accompanied by a fee of five ten dollars. After five days, the department or county treasurer shall issue a certified copy to the applicant at the applicant's most recent address. The certified copy shall be clearly marked "duplicate" and shall be identical to the original, including notation of liens or encumbrances. When a certified copy has been issued, the previous certificate is void. A new purchaser or transferee is entitled to receive an original title upon presenting the assigned duplicate copy

to the treasurer of the county where ~~he or she~~ the new purchaser or transferee resides. At the time of purchase, a purchaser may require the seller to indemnify the purchaser and all future purchasers of the vehicle against any loss which may be suffered due to claims on the original certificate. A person recovering an original certificate of title for which a duplicate has been issued shall surrender the original certificate to the county treasurer or the department.

Sec. 52. Section 321.46, subsection 2, Code Supplement 1983, is amended to read as follows:

2. Upon filing the application for a new registration and a new title, the applicant shall pay a title fee of ~~two ten~~ dollars and a registration fee prorated for the remaining unexpired months of the registration year. The county treasurer, if satisfied of the genuineness and regularity of the application, and in the case of a mobile home, that taxes are not owing under chapter 135D, and that applicant, has complied with all the requirements of this chapter, shall issue a new certificate of title and, except for a mobile home, a registration card to the purchaser or transferee, shall cancel the prior registration for the vehicle, and shall forward the necessary copies to the department on the date of issuance, as prescribed in section 321.24.

Sec. 53. Section 321.47, unnumbered paragraph 1, Code 1983, is amended to read as follows:

In the event of the transfer of ownership of any vehicle by operation of law as upon inheritance, devise or bequest, order in bankruptcy, insolvency, replevin, foreclosure or execution sale, or whenever the engine of a motor vehicle is replaced by another engine, or whenever a vehicle is sold to satisfy an artisan's lien as provided in chapter 577, or is sold to satisfy a landlord's lien as provided in chapter 570, or a storage lien as provided in chapter 579, or repossession is had upon default in performance of the terms

of a security agreement, the treasurer of the county in which the last certificate of title to any such vehicle was issued, upon the surrender of the prior certificate of title or the manufacturer's or importer's certificate, or when that is not possible, upon presentation of satisfactory proof to the county treasurer of ownership and right of possession to such vehicle and upon payment of a fee of ~~two ten~~ **two ten** dollars and the presentation of an application for registration and certificate of title, may issue to the applicant a registration card for such vehicle and a certificate of title thereto. The person or persons entitled under the laws of descent and distribution of an intestate's property to the possession and ownership of a vehicle owned in whole or in part by a decedent, upon filing an affidavit stating the name and date of death of the decedent, the right to possession and ownership of the persons filing said affidavit, and that there has been no administration of the said decedent's estate, which instrument shall also contain an agreement to indemnify any creditors of the decedent who would be entitled to levy execution upon said motor vehicle to the extent of the value of said motor vehicle, shall be entitled upon fulfilling the other requirements of this chapter, to the issuance of a registration card for the interest of the decedent in such vehicle and a certificate of title thereto. No requirement of either chapter 450 or 451 shall be considered satisfied by the filing of the affidavit provided for in this section. If, from the records in the office of the county treasurer, there appear to be any lien or liens on such vehicle, such certificate of title shall contain a statement of such liens unless the application is accompanied by proper evidence of their satisfaction or extinction. Evidence of extinction may consist of, but is not limited to, an affidavit of the applicant stating that a security interest was foreclosed as provided in Uniform Commercial Code, chapter 554, Article 9, Part 5.

Sec. 54. Section 321.48, subsection 2, Code Supplement 1983, is amended to read as follows:

2. Any foreign registered vehicle purchased or otherwise acquired by a dealer for the purpose of resale shall be issued a certificate of title ~~thereto~~ for the vehicle by the county treasurer of the dealer's residence upon proper application ~~therefor~~ as provided in this chapter and upon payment of a fee of ~~two five~~ **two five** dollars and ~~such the~~ such the dealer shall be exempt from the payment of any and all registration fees for ~~such the~~ the vehicle. ~~Such The~~ Such The application for certificate of title shall be made within forty-eight hours after ~~said the~~ said the vehicle comes within the border of the state.

Sec. 55. Section 321.50, subsection 1, Code Supplement 1983, is amended to read as follows:

1. A security interest in a vehicle subject to registration under the laws of this state or a mobile home, except trailers whose empty weight is two thousand pounds or less, and except new or used vehicles held by a dealer or manufacturer as inventory for sale, ~~is~~ perfected by the delivery to the county treasurer of the county where the certificate of title was issued ~~or~~, in the case of a new certificate, to ~~the~~ county treasurer where the certificate will be issued of an application for certificate of title which lists the security interest, or an application for notation of security interest signed by the owner, or by one owner of a vehicle owned jointly by more than one person, ~~or~~ a certificate of title from another jurisdiction which shows the security interest, and a fee of ~~two five~~ **two five** dollars for each security interest shown. If the owner or secured party is in possession of the certificate of title, ~~it~~ must also be delivered at this time in order to perfect the security interest. If a vehicle ~~is~~ subject to a security interest when brought into this state, the validity of the security interest and the date of perfection is determined by section 554.9103. Delivery as provided in this subsection is an indication of a security interest on a certificate of title for purposes of chapter 554.

Sec. 56. Section 321.52, subsection 4, unnumbered paragraph 1, Code 1983, is amended to read as follows:

A vehicle ~~rebuilder~~ or a motor vehicle dealer licensed under chapter 322, upon acquisition of a wrecked or salvage vehicle, shall surrender the certificate of title and registration receipt or manufacturer's or importer's statement of origin properly assigned, together with an application for a salvage certificate of title to the county treasurer of the county of residence of the purchaser or transferee within fourteen days after the date of assignment of the certificate of title for the wrecked or salvage motor vehicle. This subsection applies only to vehicles with a fair market value of five hundred dollars or more, based on the value before the vehicle became wrecked or salvage. Upon payment of a fee of two dollars, the county treasurer shall issue a salvage certificate of title which shall bear the word "SALVAGE" stamped on the face of the title in bold letters and coded in a manner prescribed by the department. A salvage certificate of title may be assigned to any person. Notwithstanding any other provisions in this section a vehicle on which ownership has transferred to an insurer of the vehicle, as a result of a settlement with the owner of the vehicle arising out of damage to, or unrecovered theft of the vehicle, shall be deemed to be a wrecked or salvage vehicle and the insurer shall comply with this subsection to obtain a salvage certificate of title within fourteen days after the date of assignment of the certificate of title of the vehicle. ~~Any owner, except an insurer of vehicles, who transfers a wrecked or salvage vehicle with a fair market value less than five hundred dollars, based on the value before it became wrecked or salvage, shall comply with section 321.51.~~

Sec. 57. section 321.60, Code 1983, is amended to read as follows:

321.60 ISSUANCE OF SPECIAL PLATES. The department shall also issue special plates as applied for, which shall ~~have displayed~~ display the general distinguishing number assigned to the applicant. Each plate so issued shall also contain a number or symbol identifying the same plate and distinguishing it from every other plate bearing the same general distinguishing number. The fee for each special plate shall be ~~ten~~ twenty dollars.

Special plates may be validated in the same manner as regular registration plates under this chapter at an annual fee of ~~ken~~ twenty dollars.

Sec. 58. Section 321.71, subsection 11, Code 1983, is amended to read as follows:

11. ~~Any person who violates the provisions of this section shall be punished by a fine of not less than four hundred dollars and not more than one thousand dollars or by imprisonment in the county jail for a period not to exceed ninety days, or punished by both such fine and imprisonment commits a fraudulent practice.~~

Sec. 53. Section 321.89, subsection 4, Code 1983, is amended to read as follows:

4. AUCTION OF ABANDONED VEHICLES. If an abandoned vehicle has ~~not~~ been reclaimed as provided for in subsection 3, the police authority shall make a determination as to whether or not the vehicle shall be sold for use upon the highways. ~~If it is to be sold as a vehicle for use upon the highways, it shall first be inspected as required by section 321.238 and have a valid certificate of inspection affixed.~~ If the vehicle is not sold for use upon the highways, it shall be sold for junk, or demolished and sold as scrap ~~or sold as provided in section 321.51 with a restricted certificate of title and not for use upon the highways.~~ The police authority shall sell the vehicle at public auction. Notwithstanding any other provision of this section, any police authority, which has taken into possession any abandoned vehicle which

lacks an engine or two or more wheels or ~~other~~ another part which renders the vehicle totally inoperable may dispose of the vehicle to a demolisher for junk after complying with the notification procedures enumerated in subsection 3 and without public auction. The purchaser of the vehicle ~~shall~~ take title free and clear of all liens and claims of ownership, shall receive a sales receipt from the police authority, and ~~shall-be~~ is entitled to register the vehicle and receive a certificate of title if sold for use upon the highways ~~or-a-restricted-certificate-of-title~~. However, if the vehicle is sold or disposed of to a demolisher for junk, the sales receipt by itself ~~shall-be~~ is sufficient title only for purposes of transferring the vehicle to the demolisher for demolition, wrecking, or dismantling and, when so transferred, no further titling of the vehicle ~~shall-be~~ is permitted. From the proceeds of the sale of an abandoned vehicle the police authority shall reimburse itself for the expenses of the auction, the costs of towing, preserving, and storing which resulted from placing the abandoned vehicle in custody, all notice and publication costs incurred pursuant to subsection 3, the cost of inspection, and any other costs incurred except costs of bookkeeping and other administrative costs. Any remainder from the proceeds of a sale shall be held for the owner of the vehicle or entitled lienholder for ninety days, and shall then be deposited in the road use tax fund. The costs to police authorities of auction, towing, preserving, storage, and all notice and publication costs, ~~inspection-costs~~ and all other costs which result from placing abandoned vehicles in custody, whenever the proceeds from a sale of the abandoned vehicles are insufficient to meet these expenses and costs, shall be paid from the road use tax fund.

Sec. 60. Section 321.109, subsection 1, Code 1983, is amended to read as follows:

1. The annual fee for all motor vehicles including vehicles designated by manufacturers as station wagons, except motor trucks, motor homes, multipurpose vehicles, ambulances, hearses, motorcycles, and motor bicycles, shall be equal to one percent of the value as fixed by the department plus forty cents for each one hundred pounds or fraction thereof of weight of vehicle, as fixed by the department. The weight of a motor vehicle, fixed by the department for registration purposes, shall include the weight of a battery, heater, bumpers, spare tire, and wheel. Provided, however, that for any new vehicle purchased in this state by a nonresident for removal to the nonresident's state of residence the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of ~~five~~ ten dollars shall be paid. And provided, however, that for any used vehicle held by a registered dealer and not currently registered in this state, or for any vehicle held by an individual and currently registered in this state, when purchased in this state by a nonresident for removal to the nonresident's state of residence, the purchaser may make application to the county treasurer in the county of purchase for a transit plate for which a fee of three dollars shall be paid. The county treasurer shall issue a nontransferable certificate of registration for which no refund shall be allowed; and the transit plates shall be void thirty days after issuance. Such purchaser may apply for a certificate of title by surrendering the manufacturer's or importer's certificate or certificate of title, duly assigned as provided in this chapter. In this event, the treasurer in the county of purchase shall, when satisfied with the genuineness and regularity of the application, and upon payment of a fee of ~~two~~ ten dollars, issue a certificate of title in the name and address of ~~such~~ the nonresident purchaser delivering the same to the person entitled ~~thereto~~ to the title as provided in this chapter.

Sec. 61. Section 321.117, Code Supplement 1983, is amended to read as follows:

321.117 MOTORCYCLE, AMBULANCE, AND HEARSE FEES. For all motorcycles the annual fee shall be ~~ten~~ twenty dollars. For all motorized bicycles the annual fee shall be ~~five~~ seven dollars. When the motorcycle is more than five model years old, the annual registration fee shall be ~~five~~ ten dollars. The annual registration fee for ambulances and hearses shall be fifty dollars. Passenger car plates shall be issued for ambulances and hearses.

Sec. 62. Section 321.119, Code 1983, is amended to read as follows:

321.119 CHURCH BUSES. For motor vehicles designed to carry nine passengers or more which are owned and used exclusively by a church or religious organization to transport passengers to and from activities of or sponsored by the church or religious organization and not operated for rent or hire for purposes unrelated to the activities of the church or religious organization, the annual fee shall be twenty-five dollars. ~~At the initial registration and at every other annual registration thereafter, the county treasurer shall not register a motor vehicle under this section unless there is affixed to the motor vehicle a valid certificate of inspection issued for the motor vehicle within the last sixty days.~~

Sec. 63. Section 321.123, unnumbered paragraph 1, Code Supplement 1983, is amended to read as follows:

All trailers except farm trailers and mobile homes, unless otherwise provided in this section, are subject to a registration fee of ~~four~~ six dollars for trailers with a gross weight of one thousand pounds or less and ten dollars for other trailers. Trailers ~~for~~ which the empty weight is two thousand pounds or less are exempt from the certificate of title and lien provisions of this chapter. Fees collected under this section shall not be reduced or prorated under chapter 326.

Sec. 64. Section 321.152, Code Supplement 1983, is amended by striking the section and inserting in lieu thereof the following:

321.152 FEE FOR COUNTY. A county treasurer may retain for deposit in the county general fund the following:

1. Two point six percent of the total collection for each annual or semiannual vehicle registration and each duplicate registration card or plate issued.
2. Twenty percent of all fees collected for certificates of title.
3. Forty percent of all fees collected for certified copies of certificates of title.
4. Sixty percent of all fees collected for notation of security interests.

The moneys retained shall be deducted, and reported to the department when the county treasurer transfers the money collected under this chapter. However, a deduction is not lawful unless the county treasurer has complied with sections 321.24 and 321.153.

Sec. 65. Section 321.190, subsection 1, unnumbered paragraph 3, Code 1983, is amended to read as follows:

The fee For a nonoperator's identification card shall be ~~one-dollar~~ five dollars and the card shall be valid for the purpose of identification for a period of four years from the date of issuance. A fee of ~~one-dollar~~ five dollars shall be charged for the voluntary replacement of an identification card.

Sec. 66. Section 321.191, unnumbered paragraph 1, Code 1983, is amended to read as follows:

The fee for an operator's license shall be ~~five~~ seven dollars if issued for a period of two years, and ~~ten~~ twenty dollars if issued for a period of ~~four~~ six years. The fee for a chauffeur's license shall be ~~Ben~~ fourteen dollars if issued for a period of two years, and ~~twenty~~ forty dollars if issued for a period of ~~four~~ six years. The fee for an

instruction permit shall be ~~three~~ six dollars, for a chauffeur's instruction permit, ~~six twelve~~ dollars, for a temporary driver's permit, ~~five~~ ten dollars and for a motorized bicycle license, ~~dive~~ ten dollars.

Sec. 67. Section 321.192, Code Supplement 1983, is amended to read as follows:

321.192 DISPOSAL OF FEES. The license fees shall be forwarded by the department to the treasurer of state who shall ~~place-them-in~~ credit the fees to the general road use tax fund of-the-state. However, for each operator's and motorized bicycle license issued by a county sheriff for which a license fee is paid, the sheriff issuing it may retain the sum of fifteen cents and for each chauffeur's license, the sum of fifty cents.

Sec. 68. Section 321.197, Code 1983, is amended to read as follows:

321.197 EXPIRATION OF CHAUFFEUR'S LICENSE. Every chauffeur's license shall expire every ~~two-or-four~~ six years ~~at-the-option-of-the-applicant~~ on the licensee's birthday anniversary. A chauffeur's license may be renewed within thirty days after the applicant's license expiration date without written examination or penalty. A person shall not be considered to be driving with an invalid license during a period of thirty days following the license expiration date. However, if the licensee is seventy years of age or older on the date of issuance of the license, the license shall be issued to be valid for two years. For the purposes of this section the birthday anniversary of a person born on February 29 shall be deemed to occur on March 1. The department in its discretion may waive the examination of any applicant previously licensed as a chauffeur under this chapter, provided that the person satisfactorily passes a vision test as prescribed by the department. An application for the renewal of a chauffeur's license shall be made under the direct supervision of a uniformed member of the department and shall be approved by the uniformed member.

Sec. 69. Section 321.492, Code 1983, is amended by adding the following new unnumbered paragraphs:

NEW UNNUMBERED PARAGRAPH. All peace officers as defined in section 801.4, subsection 7, paragraphs "a", "b", "c", and "h" may, having reasonable grounds that equipment violations exist, conduct spot inspections.

NEW UNNUMBERED PARAGRAPH. The state department of transportation may designate employees of the transportation regulation and safety division of the department to conduct: spot inspections.

Sec. 70. Notwithstanding section 321.145, there is transferred from ~~the~~ road use tax fund to the general fund of the state the sum of sixteen million two hundred thirty-two thousand (16,232,000) dollars for the fiscal year beginning July 1, 1984 and ending June 30, 1985 which funds shall be appropriated to the department of public safety for the highway patrol and uniformed force for the administration and supervision of the public highways.

Sec. 71. Any inspection station which has a valid inspection state permit may apply for a refund of the unexpired portion of the permit fee. However, a refund shall not be allowed on a claim of any amount which is less than two dollars and fifty cents. All applications for refund must be filed no more than ninety days following the repeal of section 321.238.

Sec. 72. Section 331.557, Code 1983, is amended by striking subsection 3.

Sec. 73. Section 321.238, Code 1983, and section 321.51, Code Supplement 1983, are repealed.

Sec. 74. This division takes effect July 1 following enactment.

DIVISION V

Sec. 75. Section 422.5, Code Supplement 1983, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. There is imposed for the first tax year beginning after December 31, 1983, an additional tax equal to two percent of taxable income in excess of twenty-five thousand dollars for a single person and forty thousand dollars for married taxpayers. Married taxpayers electing to file separate returns or filing separately on a combined return must combine their respective taxable incomes for purposes of the additional tax. If the combined income of the married taxpayers electing to file separate returns or filing separately on a combined return exceeds forty thousand dollars, that portion of the combined income in excess of forty thousand dollars shall be subject to the additional tax. The liability of each spouse shall be in the proportion that each spouse's taxable income bears to the total combined taxable income. Subsection 14 of this section is applicable to the additional tax imposed by this unnumbered paragraph. This unnumbered paragraph is applicable for the tax year beginning after December 31, 1983 only if the governor finds that the estimated budget resources during the fiscal year beginning July 1, 1984 and ending June 30, 1985 are insufficient to pay all appropriations in full and the governor's findings are concurred in by the executive council. The governor shall make the determination not later than October 1, 1984 and the governor shall not make any reductions in allotments as allowed under section 8.31.

DIVISION VI

Sec. 76. Section 422.43, subsection 2, Code Supplement 1983, is amended to read as follows:

2. There is imposed a tax of four percent upon the gross receipts derived from the operation of all forms of amusement devices and games of skill, games of chance, raffles and bingo games as defined in chapter 99B, ~~and-commercial-amusement enterprises~~ operated or conducted within the state of Iowa, the tax to be collected from the operator in the same manner as is provided for the collection of taxes upon the gross receipts of tickets or admission as provided in this section.

Sec. 77. Section 422.43, subsection 9, Code Supplement 1983, is amended to read as follows:

9. The following enumerated services are subject to the tax imposed on gross taxable services: Alteration and garment repair; armored car; automobile repair; battery, tire and allied; investment counseling (excluding investment services of trust departments); bank service charges; barber and beauty; boat repair; car wash and wax; carpentry; roof, shingle, and glass repair; dance schools and dance studios; dry cleaning, pressing, dyeing, and laundering; electrical and electronic repair and installation; engraving, photography, and retouching; ~~equipment rental of tangible personal property~~; excavating and grading; farm implement repair of all kinds; flying service, except agricultural aerial application services and aerial commercial air charter transportation services; furniture, rug, upholstery repair and cleaning; fur storage and repair; golf and country clubs and all commercial recreation; house and building moving; household appliance, television, and radio repair; jewelry and watch repair; machine operator; machine repair of all kinds; motor repair; motorcycle, scooter, and bicycle repair; oilers and , . lubricators; office and business machine repair; painting, papering, and interior decorating; parking facilities; pipe fitting and plumbing; wood preparation; licensed executive search agencies; private employment agencies, excluding services for placing a person in employment where the principal place of employment of that person is to be located outside of the state; printing and binding; sewing and stitching; shoe repair and shoeshine; storage warehousing of raw agricultural products; telephone answering service; test laboratories, except tests on humans; termite, bug, roach, and pest eradicators; tin and sheet metal repair; turkish baths, massage, and reducing salons; vulcanizing, recapping, and retreading; weighing; welding; well drilling; wrapping, packing, and packaging of merchandise other than processed

meat, fish, fowl and vegetables; wrecking service; wrecker and towing. For purposes of this subsection, gross taxable services from rental includes rents, royalties, and copyright and license fees.

Sec. 78. Section 422.45, subsection 12, Code Supplement 1983, is amended to read as follows:

12. Gross receipts from the sale of all foods for human consumption which are eligible for purchase with food coupons issued by the United States department of agriculture pursuant to regulations in effect on July 1, 1974, regardless of whether the retailer from which the foods are purchased is participating in the food stamp program. However, as used in this subsection, "foods" does not include meals prepared for immediate consumption on or off the premises of the retailer, ~~and does not include~~ foods sold through vending machines, or beverages as defined in section 455C.1, subsection 1.

See. 79. Sections 77 and 70 are effective July 1 following enactment.

DIVISION VII

Sec. 80. Notwithstanding section 427A.12, subsection 7, in the fiscal year beginning July 1, 1984 and ending June 30, 1985, the state comptroller shall pay from the personal property tax replacement fund to the respective county treasurers on May 15, 1985 an amount equal to one-half of the amount due and payable for the fiscal year beginning July 1, 1984 and ending June 30, 1985. The remaining one-half of the funds payable from the personal property tax replacement fund for the fiscal year beginning July 1, 1984 and ending June 30, 1985 shall be paid by the state comptroller to the respective county treasurers not later than July 1, 1985. The payment received on July 1, 1985 is an account receivable for the previous fiscal year.

Sec. 81. This Act, being deemed of immediate importance, takes effect from and after its publication in the Audubon

News-Advocate, a newspaper published in Audubon, Iowa, and in The Winterset Madisionian, a newspaper published in Winterset. Iowa.

CHARLES P. MILLER
President Pro Tempore of the
Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2330, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

May 19, 1984



The Honorable Mary Jane Odell
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit Senate File 2330, an act relating to the financing of state government by providing for a reduction in general fund appropriations through reallocation of general fund financial aid to merged area schools, by reducing or eliminating certain capital appropriations for the fiscal year beginning July 1, 1983 and appropriating funds for capital projects for the fiscal year beginning July 1, 1984, by updating references to the internal revenue code for individual and corporate income tax, franchise tax, and inheritance tax purposes with coordinating amendments, by restructuring the fee for operator's and chauffeur's licenses, increasing certificate of title fees, duplicate title fees, trailer and motorized bicycle fees, including allocation of those fees to the road use tax fund and county treasurers, providing for spot inspections and odometer law enforcement, funding from the road use tax fund the driver's license program of the state department of transportation and the division of the highway safety and uniformed force of the department of public safety, by providing for the creation of an Iowa economic emergency fund including its funding, by providing for the payment of one-half of the additional personal property tax credit in the fiscal year beginning July 1, 1984, by imposing the sales, service and use tax on licensed executive search agencies, beverages, electronic repair and installation and the rental of tangible personal property, and making certain provisions of the act retroactive.

Senate File 2330 is approved May 19, 1984, with the following exceptions which I hereby disapprove.

The Honorable Mary Jane Odell
May 19, 1984
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I am unable to approve Section 42, which reads as follows:

Sec. 42. It is the intent of the general assembly that the department of revenue shall conduct a study during the 1984 interim to determine a feasible method of disallowing certain interest expense deductions on tangible personal property which is manufactured or substantially assembled outside of the United States and which is purchased by a taxpayer. The department shall submit its report to the Seventy-first General Assembly not later than February 1, 1985.

This section requires the Iowa Department of Revenue to conduct a study which would consider various methods for disallowing the interest on foreign made personal property purchased by Iowans. Such a study can only lead to further discussion of legislation detrimental to both Iowa's consumers and producers.

While this legislation is directed solely at making the purchase of foreign made personal property less attractive, we must consider its implications for Iowa's exporters.

If we impose punitive policies on foreign producers, then foreign countries will surely impose retaliatory measures on Iowa producers and products. Iowa is a leading exporter, and action in this area could cost Iowans' jobs and reduce foreign markets for Iowa's agricultural commodities.

This section also requires the Department of Revenue to conduct and complete the study of a complicated issue within a short time. If the study were to be of value, it should address such matters as who would be affected, the impact on taxpayers and the state treasury, the policy question of whether we should no longer conform to the Internal Revenue Code in this area, and the administrative impact on the Department of Revenue. The department has made and will continue to make a considerable commitment of resources to the Tax Study Committee. A diversion of department resources to this matter at this time would not be wise.

Two discrepancies in this bill should be corrected by the next legislative session. First, Section 66 increases operator license fees and extends the license from four to six years for persons between ages 18 and 70. The legislature neglected

The Honorable Mary Jane Odell
May 19, 1984
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to conform 321.196 of the Code to this change. That section states that an operator's license shall expire four years from the licensee's birthdate.

Secondly, Section 66 provides for a two-year and a six-year chauffeur's license'. The legislature, in attempting to conform Section 321.197 to this change provided **only** for the expiration of the six-year license. Thus there is a question as to whether they intended to eliminate the two-year license. These conflicting sections should be corrected by the next General Assembly.

I am also unable to approve Division V, Section 75, which reads as follows:

DIVISION V

Sec. 75. Section 422.5, Code Supplement 1983, is amended by adding the following new unnumbered paragraph:
NEW UNNUMBERED PARAGRAPH. There is imposed for the first tax year beginning, after December 31, 1983, an additional tax equal to two percent of taxable income in excess of twenty-five thousand dollars for a single person and forty thousand dollars for married taxpayers. Married taxpayers electing to file separate returns or filing separately on a combined return must combine their respective taxable incomes for purposes of the additional tax. If the combined income of the married taxpayers electing to file separate returns or filing separately on a combined return exceeds forty thousand dollars, that portion of the combined income in excess of forty thousand dollars shall be subject to the additional tax. The liability of each spouse shall be in the proportion that each spouse's taxable income bears to the total combined taxable income. Subsection 14 of this section is applicable to the additional tax imposed by this unnumbered paragraph. This unnumbered paragraph **is** applicable for the tax year beginning after December 31, 1983 only if the governor finds that the estimated budget resources during the fiscal year beginning July 1, 1984 and ending June 30, 1985 are insufficient to pay all appropriations in full and the governor's findings are concurred in by the executive council. The governor shall make the determination not later than October 1, 1984 and the governor shall not make any reductions in allotments as allowed under section 8.31.

This section provides for an additional tax of two percent on individual's taxable income in excess of \$25,000 for a single person and \$40,000 for married taxpayers' combined taxable

The Honorable Mary Jane Odell
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income for the tax year 1984. The additional tax would be imposed if I find, with concurrence of the Executive Council, that the estimated budget resources for the fiscal year ending June 30, 1985 are insufficient to pay all appropriations. The section further provides that I shall not make any reductions in allotments **as** allowed under section 8.31.

This new income tax would raise an estimated \$20 million. If the projection indicates that the budget resources are \$5 million short, the tax would go into effect raising the \$20 million even though only \$5 million is needed. If the shortfall were determined to be in excess of \$20 million, an income tax would be imposed and I would be prohibited from implementing any across-the-board reduction in order to balance the budget. The result could be the imposition of a state-wide property tax levy.

Two other important points should be made. First, the way Iowa's personal income tax rates compare with other states is a major factor in our economic development efforts. Iowa's individual income tax already ranks higher than the U.S. average when measured as a percent of personal income. Businesses considering whether to locate or expand here will be deterred by further increases in our personal income tax.

Second, while many Iowans have seen their income drop in our recent economic difficulties, the budget for the state has continued to grow each year. Should state revenue fall short in a given year, the problem should be addressed by reducing spending rather than raising the tax burden on our citizens.

I am also unable to approve Section 78 which reads as follows:

Sec. 78. Section 422.45, subsection 12, Code Supplement 1983, is amended to read as follows:

12. **Gross** receipts from the sale of all foods for human consumption which are eligible for purchase with food coupons issued by the United States department of agriculture pursuant to regulations in effect on July 1, 1974, regardless of whether the retailer from which the foods are purchased is participating in the food stamp program. However, as used in this subsection, "foods" does not include meals prepared for immediate consumption on or **off** the premises of the retailer, ~~and does not include~~ foods sold through vending machines, ~~or beverages as defined~~ in section 455C.1, subsection 1.

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This section places the four percent sales tax on soft drinks sold by retailers.

This tax signals a willingness to tax consumable food items, which have been exempted from the sales tax since July 1, 1974. It represents a return to a policy rejected for good reasons. It hits hardest at low income families and their children. Further, accepting this tax could encourage attempts to tax other food items in future years. Any return to such regressive taxes is not appropriate public policy.

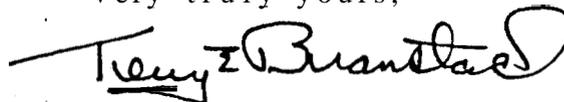
Finally, I am unable to approve Section 80 which reads as follows:

Sec. 80. Notwithstanding section 427A.12, subsection 7, in the fiscal year beginning July 1, 1984 and ending June 30, 1985, the state comptroller shall pay from the personal property tax replacement fund to the respective county treasurers on May 15, 1985 an amount equal to one-half of the amount due and payable for the fiscal year beginning July 1, 1984 and ending June 30, 1985. The remaining one-half of the funds payable from the personal property tax replacement fund for the fiscal year beginning July 1, 1984 and ending June 30, 1985 shall be paid by the state comptroller to the respective county treasurers not later than July 1, 1985. The payment received on July 1, 1985 is an account receivable for the previous fiscal year.

This section failed to accomplish the legislature's intent and was corrected by language included in Senate File 2365. This section is no longer necessary and should be deleted.

For the above reasons, I hereby respectfully disapprove of these items in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of Senate File 2330 are hereby approved as of this date.

Very truly yours,



Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

SENATE FILE 2333

. AN ACT

RELATING TO THE ADMINISTRATION AND FINANCING OF CORRECTIONAL, MENTAL HEALTH, MENTAL RETARDATION AND VETERANS PROGRAMS AND CAPITAL PROJECTS UNDER THE JURISDICTION OF THE DEPARTMENT OF CORRECTIONS, THE DEPARTMENT OF HUMAN SERVICES, OR THE BOARD OF PAROLE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the department of corrections for general administration, including salaries and support, maintenance, and miscellaneous purposes the following amount, or so much thereof as is necessary:

1984-1985
Fiscal Year
\$ 1,706,468

A portion of the funds appropriated by this section shall be used to employ an affirmative action officer.

sec. 2. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the department of corrections the following amounts, or so much thereof as is necessary, to be used for adult correctional services as designated:

1984-1985
Fiscal Year

1. For operation of adult correctional institutions, in-

cluding salaries and support, maintenance, and miscellaneous purposes, provided that the director of corrections, in order to keep expenditures from exceeding the amount of funds appropriated by this subsection, shall declare a prison overcrowding state of emergency in the state's prisons whenever the population of the prison system exceeds two thousand six hundred forty-five inmates for forty-five consecutive days. Upon the declaration of a prison overcrowding state of emergency, the board of parole shall consider all inmates, except for inmates convicted of class "A" felonies, for parole who are within nine months of their tentative discharge date. If the board of parole's actions do not reduce the population of the prison system below two thousand six hundred twenty inmates within ninety days of the date of the declaration of the prison overcrowding state of emergency, the tentative discharge dates of all inmates, whose most serious offenses for which the inmates are currently incarcerated are crimes against property and who are incarcer-

ated in state prisons on the date of the declaration. shall be reduced by ninety days by the director of corrections. However, the tentative discharge date of a prisoner sentenced under section 204.406, 204.413, 902.7, 902.8, or 906.5 shall not be reduced under this subsection prior to completion of the mandatory minimum sentence required by the section. The director of corrections shall terminate a prison overcrowding state of emergency in the state's prisons whenever the population of the prison system is reduced below two thousand six hundred twenty inmates. The department shall adopt administrative rules which identify all offenses as either crimes against property or crimes against persons. As used in this subsection, "prison" means a correctional facility operated by the department of corrections and funded under this subsection, "prison system" means the prisons of this state which are the Iowa correctional institution for women, the Iowa state men's reformatory, the Iowa state penitentiary, the Iowa security

and medical facility, the north central correctional facility, the Mount Pleasant correctional facility, the Clarinda Correctional treatment facility, the Correctional release center, and the rehabilitation camps, and "tentative discharge date" means the date at which an inmate is scheduled for release including good conduct and work time currently received. The department of corrections shall establish a plan to reduce the inmate population within the medium security facility of the men's reformatory at Anamosa to nine hundred inmates by October 1, 1984 and to eight hundred and fifty inmates by November 1, 1984. On and after November 1, 1984, the superintendent shall not admit additional inmates to the medium security facility of the men's reformatory at Anamosa if the inmate population of the men's reformatory equals or exceeds eight hundred and fifty inmates **\$ 48,120,374**

If the department of corrections changes the allocations to the various adult correctional institutions on which the appropriation in this subsection was based, the department shall notify the chairpersons and ranking members of the corrections and mental health appropriations subcommittee and the legislative fiscal bureau of the changes to the allocations.

The department shall provide adequate funding for the men's reformatory and any reduction in the number of correctional officers shall correspond to a reduction in the inmate population.

The department shall use funds appropriated by this subsection to provide psychological testing of its correctional officer applicants.

Independent hearing officers for the department, pursuant to chapter 903A, shall be those persons who would qualify under rules promulgated by the merit employment commission for hearing officers and who are not responsible for the initiation of disciplinary procedures or involved in the supervision of persons whose responsibility it is to initiate disciplinary proceedings. The department shall use funds appropriated by this subsection to employ, at a minimum, two additional qualified hearing officers to provide coverage at disciplinary hearings at the state penitentiary, the men's reformatory, the medium security unit at Mt. Pleasant, and the medical and security facility. The department shall develop a plan for coverage by qualified hearing officers at all state correctional institutions and submit the report to the general assembly by January 15, 1985.

The department of corrections shall use funds appropriated in this subsection to continue to contract for the services of a Muslim imam.

The department shall use funds appropriated by this subsection to continue to provide at least correspondence courses, graduation equivalent diploma program, college courses, adult basic education, and a reentry course to inmates at the Iowa correctional institution for women.

The department may use three thousand dollars of the gifts accepted by the department pursuant to section 217A.75 and other resources available to match funds provided by the state library and central Iowa regional library to establish a project at the Iowa correctional institution for women.

An impact statement prepared by the legislative fiscal bureau shall be attached to any bill introduced in the general assembly which reasonably could have an effect on the inmate populations of the adult correctional institutions.

2. For the inmate classification system \$ 161,472

A portion of the funds appropriated by this subsection shall be used to employ a licensed psychologist.

The department, by January 15, 1985, shall provide the general assembly with evidence from independent experts of the validity and effectiveness of the inmate classification system and shall suggest changes in the system to make it more effective. The validation study shall determine if the classification instruments accomplish the following objectives:

- a. Accurate prediction, without regard to extraneous factors such as religion, gender, or race, of the risk of inmate violence, escape from the institution, and disciplinary problems.
- b. Appropriate placement of inmates in the least restrictive institutional environment according to their security and custody requirements.
- c. A suitable match in placement decisions between the security and custody requirements and assessed service needs of inmates and the available security and custody arrangements and services in the institutions.

The department shall establish an agreement with persons independent of the department for the development of the study design and methodology and for the analysis of the data.

3. For the correctional training center \$ 300,717

4. For federal prison reimbursements \$ 398,520

5. The department shall identify all individuals currently in the correctional system and those individuals entering the system who are mentally retarded, as defined in section

222.2, subsection 5. In assigning a mentally retarded offender, or an offender with an inadequately developed intelligence or with impaired mental abilities, to a correctional facility, the department shall consider both the program needs and the security needs of the offender. The department of corrections shall consult with the mental health and mental retardation commission to obtain the commission's advice concerning the identification, correctional facility assignment, and program needs of mentally retarded offenders.

6. For the community-based corrections programs as designated:

- a. For pre-institutional community-based corrections \$13,559,400
- b. For post-institutional halfway houses \$ 1,408,318
- c. For parole services \$ 1,200,402

Funds appropriated under this subsection may be used for the acquisition or improvement of residential correctional facilities as provided in section 8.45.

A judicial district which uses funds appropriated under this subsection may contract for services from or provide funds to private agencies to provide education, job placement, or counseling services to ex-offenders intended to facilitate the transition from incarceration to living in a free society.

A judicial district department of correctional services may operate a program for offenders required to perform unpaid community service.

- 7. For a legal assistance program to provide civil legal assistance to inmates of the Iowa correctional system in matters of child custody, bankruptcy, and dissolution of marriage \$ 25,000

The department shall determine whether an inmate applying for civil legal assistance is indigent under section 815.9, after submission by the inmate of the detailed financial statement required by that section. The inmate has an affirmative duty to provide all relevant information on the issue of the inmate's indigency to the satisfaction of the department that the inmate is indigent. The department may establish by rule a schedule of charges, on a graduated scale related to income and resources, to be paid by inmates who are not indigent for the provision of civil legal assistance.

The department may establish by rule maximum rates of reasonable compensation for attorneys providing the various categories of civil legal assistance under the program funded by this subsection.

- 8. For reimbursement of counties for temporary confinement of work release and parole violators, as provided by sections 247A.10, 901.7, and 906.17 \$ 47,500

9. The department shall maintain a long-range corrections planning process and an ongoing five-year corrections master plan. The director of the department of corrections shall report to the general assembly by January 15, 1985 concerning the status and content of the master plan. The master plan shall include goals and objectives and operations and funding needs. The master plan shall include, but not be limited to, an analysis of current and future inmate populations, incarceration costs, needs of inmates placed in community correctional programs. and inmate, staff, and public safety needs. The master plan shall incorporate incarceration policies based on the least restrictive incarceration alternative which is consistent with public safety and inmate needs, including the alternative of incarcerating inmates in community correctional facilities. The department shall

seek input from knowledgeable experts and from the public in the formulation of the master plan.

Sec. 3. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the board of parole, including salaries and support, maintenance, and miscellaneous purposes, the following amount, or so much thereof as is necessary:

1984-1985
Fiscal Year
\$ 411,472

The board of parole shall continue the development and use of objective parole criteria in evaluating inmates for parole, with the goal of increasing parole rates without increasing the risk to society of release on parole, and with the goal of granting those paroles more uniformly throughout the year.

Sec. 4. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the department of human services for operation of the Iowa veterans home, including salaries and support, maintenance, and miscellaneous purposes, the following amount, or so much thereof as is necessary:

1984-1985
Fiscal Year
\$ 17,810,507

Ninety-five thousand (95,000) dollars of the funds appropriated in this section may be used to match federal funds for the renovation of Loftus hall at the Iowa veterans home.

The department may use up to twenty thousand dollars of the gifts available to the commissioner of human services pursuant to section 218.96 and other resources available to the department for use at the Iowa veterans home for purposes identified by the department.

Sec. 5. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the department of human services, for the state mental health institutes the following amount, or so much thereof as is necessary:

1984-1985
Fiscal Year

1. For salaries and support, maintenance, and miscellaneous purposes \$ 30,373,015

2. As long as there is a demonstrated need, the department of human services shall continue to operate a geriatric program at the state mental health institute at Mount Pleasant. A reduction in the patient population at the institute necessary as a result of the correctional addition at the institute shall not be achieved by eliminating a specific program, unless the institute's citizens' advisory board or the general assembly determines that there is no longer a demonstrable need for the specific program. If the department decides to reduce the catchment area for Mount Pleasant mental health institute, they shall consider the reduction temporary until further population trends are clarified.

3. It is the intent of the general assembly that the department of human services should pursue all courses of action necessary to expand the recruitment and retention of psychiatrists at state mental health institutions.

To this end the general assembly expects:

a. The department to begin a recruitment campaign by sending department representatives to events and locations where psychiatrists are likely to be recruited and by taking other similar actions which have the likelihood of contributing to the recruitment of psychiatrists.

b. The department to develop a plan for cooperative recruitment, training and personnel development. The development of the plan may include the involvement of other

appropriate private and public entities. The department shall present the plan to the governor and the legislative council on or about October 1, 1984. The plan shall include an affirmative action component and review cooperative efforts and strategies between agencies and institutional entities nationwide. The plan should offer a set of cooperative ventures between other private or public entities and the department for the improved recruitment and retention of psychiatrists in mental health institutions.

c. The department to explore and implement, if necessary, alternative approaches to retaining psychiatrists in the state hospital system, such as special contractual arrangements, expanded staff privileges, or improved educational opportunities for the medical staff.

The department shall submit a report to the general assembly by January 15, 1985 which details the action it has taken in calendar year 1984 to enhance the recruitment and retention of psychiatrists at state mental health institutes.

4. All funds received from client participation shall be deposited in the general fund of the state.

5. A state mental health institute shall not accept physical custody of a child alleged to be a child in need of assistance, on guest status or otherwise, for more than thirty days. A child found to be a child in need of assistance shall not be placed in a state mental health institute or other appropriate secure facility unless the juvenile court finds that the standard for involuntary commitment in chapter 229 has been met. The finding may be made by the court under section 232.103 at any time prior to the expiration of a dispositional order.

6. The superintendents of the state mental health institutes at Cherokee and Independence, in discharging the duties imposed by section 230.20, shall not include the costs of the psychiatric residency and chaplain intern programs maintained at those institutes in computing the institutes'

respective daily charges to patients. The commissioner of human services shall seek to maintain reasonably uniform daily charges at the four mental health institutes. The department of human services shall report, to the general assembly by January 15, 1965, significant facts regarding population demand and trends and their relationship to the per diem charges of the four mental health institutes in comparison to probable impact on the institutions if there had been an average state mental health institutes' daily patient program cost.

Sec. 6. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the department of human services, for the state hospital schools the following amount, or so much thereof as is necessary:

	1984-1985 <u>Fiscal Year</u>
1. For salaries and support, maintenance, and miscellaneous purposes	\$ 47,400,996
2. All funds received from client participation shall be deposited in the general fund of the state.	
3. The state hospital schools' per-patient per-day cost as determined pursuant to section 222.73 shall be billed at eighty percent for the fiscal year, except as otherwise provided by subsection 4.	
4. If more than twenty percent of the cost of a patient's care is initially paid from any source other than state appropriated funds, the amount so paid shall be subtracted from the per-patient per-day cost of that patient's care computed pursuant to section 222.73 and the patient's county of legal settlement shall be billed for the full balance of the cost so computed.	

Sec. 7. A state hospital school or mental health institute shall, upon receipt of a payment made under chapter 249A for

the care of a patient, segregate an amount equal to that portion of the payment which is required by law to be made from nonfederal funds. The money segregated shall be deposited in the medical assistance fund of the department of human services. In the calculation of per diem rates, charges assessed to the county shall be credited with one hundred percent of client participation for eligible Title XIX, medical assistance patients at the state hospital schools.

Sec. 8. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the state community mental health and mental retardation services fund established in section 225C.7. the following amount, or so much thereof as is necessary:

1984-1985
Fiscal Year
\$ 3,360,000

Sec. 9. The general assembly and the corrections and mental health appropriations subcommittee shall review the general assembly's action which abolished the hospital-schools revolving fund, reverted current moneys in the fund to the general fund of the state in order to balance the state budget on June 30, 1983, and appropriated reverted funds to the hospital-schools for the fiscal year beginning July 1, 1983. The review shall include an examination of the continuing need for a hospital-schools revolving fund which could channel moneys to the community mental health and mental retardation services fund provided pursuant to chapter 225C.

Sec. 10. The commissioner of the department of human services shall prepare a study of the disabled population in Iowa. The study shall address the size of the population of disabled individuals which does not meet the definition of developmental disability as contained in chapter 225C, identify the services available or unavailable to that population, and develop recommendations for the coordination

of efforts to serve that population. The commissioner shall complete the study with the assistance of other state agencies currently serving the disabled population including, but not limited to, the department of public instruction, the department of health and the board of regents. The commissioner shall also consult with representative organizations of the disabled population and with the governor's planning council for developmental disabilities. The results of the study shall be submitted to the general assembly and to the council on human services by October 1, 1984.

Sec. 11. Billings by the central warehouse and supply depot established in section 218.100 to institutions under the control of the department of human services shall not include the costs incurred by the central warehouse and supply depot in the distribution of federal surplus commodities.

Sec. 12. Notwithstanding section 217.23, subsection 2, the department of human services may expend moneys from the support allocation of the department as reimbursement for replacement or repair of personal items of the department's employees damaged or destroyed by clients of the department during the employee's tour of duty. The reimbursement shall not exceed one hundred fifty dollars for each item.

Sec. 13. All federal grants to and the federal receipts of the department of human services are appropriated for the purposes set forth in the federal grants or receipts. The veterans per diem payable for veterans at the veterans home and funds received under Title XIX of the federal Social Security Act by the state mental health institutes and state hospital schools shall be deposited in the general fund.

Sec. 14. There is appropriated from the general fund of the state to the following state agencies for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amounts, or so much thereof as may be necessary, to be used in the manner designated:

1984-1985
Fiscal Year

I. DEPARTMENT OF CORRECTIONS

For construction of an Iowa state industries facility at the medium security correctional facility at Mt. Pleasant and to renovate a bathroom for use of the handicapped at the Iowa correctional institution for women

\$ 255,000

2. DEPARTMENT OF HUMAN SERVICES

a. For capital improvements to correct life safety, fire code, and accreditation deficiencies at the mental health institutes at Cherokee and Independence

\$ 937,000

b. For capital improvements at the state hospital-schools

\$ 278,450

Sec. 15. The department of human services may use up to seventy-five thousand dollars of the funds which have been appropriated and not expended in previous years for capital projects to fund the renovation of Loftus hall at the Iowa veterans home.

Sec. 16. Except for funds appropriated under section 2, subsection 6, section 4, section 14, and section 15, funds appropriated by this Act shall not be used for capital acquisitions or improvements.

Sec. 17. Unobligated or unencumbered funds appropriated by section 14 or identified for use by section 15 of this Act for the fiscal year beginning July 1, 1984 and ending June 30, 1985 remaining on June 30, 1988 shall revert to the general fund of the state on September 30, 1988. However, if the projects for which these funds are appropriated are completed prior to June 30, 1988, the remaining unobligated or unencumbered funds shall revert to the general fund of

the state on September 30 following the end of the fiscal year in which the projects are completed.

CHARLES P. MILLER
President Pro Tempore of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2333, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor

SENATE FILE 2334

AN ACT

RELATING TO THE FUNDING OF STATE AGENCIES FOR DESIGNATED SERVICE PROGRAMS INCLUDING HEALTH PROGRAMS, CIVIL RIGHTS, VETERANS' SERVICES, AND PROGRAMS FOR MINORITY, ELDERLY, AND DISADVANTAGED PERSONS FOR THE FISCAL YEAR BEGINNING JULY 1, 1984 AND ENDING JUNE 30, 1985 AND MAKING A SUPPLEMENTAL APPROPRIATION TO THE DEPARTMENT OF HEALTH FOR REALLOCATION TO THE STATE BOARD OF REGENTS FOR CERTAIN PROGRAMS UNDER THE IOWA SPECIALIZED CHILD HEALTH CARE SERVICES FOR THE FISCAL YEAR BEGINNING JULY 1, 1983 AND ENDING JUNE 30, 1984, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. There is appropriated from the general fund of the state to the commission on the aging for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1984-1985 <u>Fiscal Year</u>
1. For salaries and support of not more than twenty-nine and one-tenth full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 231,577
2. For the administration of area agencies on aging	\$ 120,023
3. For the senior citizen employment program	\$ 110,166
4. For the older Iowans legislature	\$ 13,608
5. For elderly services programs	\$ 816,480

All funds appropriated under this subsection shall be received and disbursed by the commission in accordance with sections 249B.15 through 249B.21, shall not be used for administrative purposes, and shall be used for citizens of Iowa over sixty-five years of age to increase the availability of chore, telephone reassurance, adult day care, and home repair, including the winterizing of homes and the construction of entrance ramps which meet the requirements of section 104A.4 and make residences accessible to the physically handicapped, and other elderly services. A coordinated comprehensive individual assessment program for the elderly may be created in each area agency for the aging to oversee the training of interdisciplinary teams for the purpose of assessing elderly individuals to determine their health, social, and financial needs in enabling these individuals to remain in their homes and their communities. Funds appropriated under this subsection may be used for elderly services not specifically enumerated in this paragraph only if approved by an area agency on aging for provision of the services within the area. Funds appropriated under this subsection may be used to supplement federal funds under federal regulations.

Sec. 2. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the following amounts, or so much thereof as is necessary, to be used by the following agencies for the purposes designated:

	1984-1985 <u>Fiscal Year</u>
1. IOWA STATE CIVIL RIGHTS COMMISSION	
For salaries and support of not more than twenty-five full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 723,186
2. SPANISH-SPEAKING	

PEOPLES COMMISSION

For salaries and support of not more than one full-time equivalent position annually, maintenance, and miscellaneous purposes \$ 43,197

3. COMMITTEE ON THE EMPLOYMENT OF THE HANDICAPPED

For salaries and support of not more than four full-time equivalent positions annually, maintenance, and miscellaneous purposes \$ 130,676

4. COMMISSION ON THE STATUS OF WOMEN

For salaries and support of not more than three full-time equivalent positions annually, maintenance, and miscellaneous purposes \$ 89,851

Sec. 3. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the following amounts, or so much thereof as is necessary, to be used by the following agencies for the purposes designated:

1984-1985
Fiscal Year

1. BOARD OF MEDICAL EXAMINERS

For salaries and support of not more than fourteen full-time equivalent positions annually, maintenance, and miscellaneous purposes \$ 622,866

2. BOARD OF NURSE EXAMINERS

For salaries and support of not more than sixteen

full-time equivalent positions annually, maintenance, and miscellaneous purposes \$ 523,773

It is the intent of the general assembly that a licensed practical nurse may practice in head start programs without the need of supervision of a licensed registered nurse or a licensed physician. To the extent that subrule 590 IAC 6.3(3) conflicts with this provision, the subrule is void.

3. BOARD OF PHARMACY EXAMINERS

For salaries and support of not more than twelve full-time equivalent positions annually, maintenance, and miscellaneous purposes \$ 347,867

The board of pharmacy examiners shall insure that enough revenue is received to reimburse the general fund of the state for the state's portion of the costs incurred for the auditing of pharmacies.

4. BOARD OF DENTAL EXAMINERS

For salaries and support of not more than two full-time equivalent positions annually, maintenance, and miscellaneous purposes \$ 109,284

Sec. 4. There is appropriated from the general fund of the state to the state department of health for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the following amounts. or so much thereof as is necessary, to be used for the purposes designated:

1984-1985
Fiscal Year

1. ADMINISTRATION

For salaries and support of not more than sixty-seven and one-fourth full-time equivalent positions annually,

maintenance, and miscellaneous purposes \$ 959,347

2. HEALTH FACILITIES

DIVISION

For salaries and support of not more than fifty-one full-time equivalent positions annually, maintenance, and miscellaneous purposes \$ 659,041

3. HEALTH PLANNING AND DEVELOPMENT DIVISION

For salaries and support of not more than nineteen and sixty-seven one hundredths full-time equivalent positions annually, maintenance, and miscellaneous purposes ... \$ 252,117

4. DISEASE PREVENTION DIVISION

For salaries and support of not more than fifty-one and sixty one hundredths full-time equivalent positions annually, maintenance, and miscellaneous purposes \$ 1,025,963

5. LICENSING AND CERTIFICATION DIVISION

For salaries and support of not more than sixteen full-time equivalent positions annually, maintenance, and miscellaneous purposes , \$ 542,912

Of the funds appropriated in this subsection, ten thousand (10,000)dollars shall be set aside and allocated for legal expenses incurred by any of the boards regarding legal expenditures by such boards as determined by the state comptroller. The licensing and certification division shall

prepare estimates of projected revenues to be generated by the licensing, certification, and examination fees of each board as well as a projection of the fairly apportioned administrative costs and rental expenses attributable to each board. Each board shall annually review and adjust its schedule of fees so that, as nearly as possible, projected revenues equal projected costs and any imbalance in revenues and costs in a fiscal year is offset in a subsequent fiscal year.

6. PERSONAL AND FAMILY HEALTH SERVICES

a. For salaries and support of not more than forty-seven and eighty-five one hundredths full-time equivalent positions annually, maintenance, and miscellaneous purposes \$ 1,408,125

The department shall allocate from the funds appropriated under this paragraph at least five hundred sixty-six thousand two hundred twenty-eight (566,228) dollars for the fiscal year beginning July 1, 1984, and ending June 30, 1985, for the birth defects and genetics counseling program and of these funds, forty thousand (40,000)dollars shall be allocated for a central Iowa birth defects registry pilot project.

Of the funds appropriated in this paragraph, the following amounts shall be allocated to the university of Iowa hospitals and clinics under the control of the state board of regents for the following programs under the Iowa specialized child health care services:

- (1) Mobile and regional child health specialty clinics \$ 301,978
(2) Childhood cancer diagnostic and treatment network program \$ 106,087
(3) Rural comprehensive care for hemophilia patients \$ 81,275
(4) Muscular dystrophy and related genetic disease programs \$ 131,657

S.F. 2330

(5) Statewide perinatal program \$ 43,740

Of the funds allocated to the mobile and regional child health specialty clinics pursuant to subparagraph (1), fifty thousand (50,000) dollars is intended to be used for the high risk infant follow-up program which shall be conducted through the mobile and regional child health specialty clinics. None of these funds shall be used to support the activities of the muscular dystrophy and related genetic disease programs or any other programs.

The birth defects and genetic counseling service shall develop a sliding fee scale to determine the amount a person receiving the services is required to pay for the services. These fees shall be considered repayment receipts and may be used for the program.

The university of Iowa hospitals and clinics shall receive an allocation for indirect costs of no more than eight percent from the funds for each program.

It is the intent of the general assembly to no longer fund the childhood cancer diagnostic and treatment network program, the rural comprehensive care for hemophilia patients program, and the high risk infant follow-up program with public health funds appropriated by the joint human resources appropriations subcommittee following the fiscal year beginning July 1, 1984 and ending June 30, 1985.

It is the intent of the general assembly that the childhood cancer diagnostic and treatment network program and the rural comprehensive care for hemophilia patients be continued at the university of Iowa hospitals and clinics at the funding level necessary to provide continued existence of the programs in the rural areas of the state. To provide for the contingency that the programs could not continue during the fiscal year beginning July 1, 1984 and ending June 30, 1985, there is appropriated from the general fund of the state to the office of the state comptroller for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of fifty-two thousand (52,000) dollars, or so much thereof as is necessary. The state comptroller shall pay to the

university of Iowa hospitals and clinics the necessary amount determined by the university of Iowa hospitals and clinics.

b. Sexual abuse investigations.

For medical procedures required by section 709.10 \$ 57,794

c. Sudden infant death syndrome.

For reimbursing counties for expenses resulting from autopsies of suspected victims of sudden infant death syndrome required under section 331.802 \$ 15,000

7. COMMUNITY HEALTH SERVICES

a. Community health division.

For salaries and support of not more than thirty-eight full-time equivalent posi-

tions annually, maintenance, and miscellaneous purposes \$ 1,799,574

The department shall allocate from the funds appropriated under this lettered paragraph nine hundred thirty-nine thousand five hundred seven (939,507) dollars for the fiscal year beginning July 1, 1984, and ending June 30, 1985 for the chronic renal disease program. The types of assistance to eligible recipients under the program may include hospital and medical expenses, home dialysis supplies, insurance premiums, travel expenses, prescription and nonprescription drugs, and lodging expenses for persons in training. The program expenditures shall not exceed these allocations. If projected expenditures will exceed the allocations, the department shall establish by administrative rule a mechanism to reduce financial assistance under the renal disease program in order to keep expenditures within the allocations.

h. In-home health care grants.

For grants to local boards

of health for the public health nursing program \$ 2,099,520

Funds appropriated under this paragraph shall be used to maintain and expand the existing public health nursing program for elderly and low-income persons with the objective of preventing or reducing inappropriate institutionalization. The department shall not retain more than one percent of the amount appropriated under this paragraph for the costs of administering the public health nursing program. The remainder of the appropriation shall be allocated for use in the counties of the state. The funds shall not be used for any other purpose. As used in this paragraph, "elderly person" means a person who is sixty years of age or older and "low-income person" means a person whose income and resources are below the guidelines established by the department.

One-fourth of the total amount to be allocated shall be divided so that an equal amount is available for use in each county in the state. Three-fourths of the total amount to be allocated shall be divided so that the share available for use in each county is proportionate to the number of elderly and low-income persons living in that county in relation to the total number of elderly and low-income persons living in the state.

In order to receive allocations under this paragraph, the local board of health having jurisdiction, after consultation with other in-home health care provider agencies in the jurisdiction, shall prepare a proposal for the use of the allocated funds available for that jurisdiction that will provide the maximum benefits of expanded public health nursing care to elderly and low-income persons in the jurisdiction. The proposal shall include a statement assuring that the appropriate local agencies have participated in the formulation of the proposal. After approval of the proposal by the department, the department shall enter into a contract with the local board of health. The local board of health may subcontract with a nonprofit nurses' association, an independent nonprofit agency, a suitable local governmental

body, or a person as defined in section 4.1, subsection 13, to use the allocated funds to provide public health nursing care. Local boards of health shall make an effort to subcontract with agencies that are currently providing services to prevent duplication of services.

If by July 30, 1984, the department is unable to conclude contracts for use of the allocated funds in a county, the department shall consider the unused funds appropriated under this paragraph an unallocated pool. The department shall prior to December 31, 1984, reallocate the funds in the unallocated pool among the counties in which the department has concluded contracts under this paragraph. The reallocation shall be made to those counties in substantially the same manner as the original allocations. The reallocated funds are available for use in those counties during the period beginning January 1 and ending June 30 of each fiscal year of the biennium.

The department shall adopt rules defining eligibility for public health nursing care paid for from funds appropriated by this paragraph. The rules shall require each local agency receiving funds to establish and use a sliding fee scale for those persons able to pay for all or a portion of the cost of the care.

The department shall annually evaluate the success of the public health nursing program. The evaluation shall include the extent to which the program reduced or prevented inappropriate institutionalization, the extent to which the program increased the availability of public health nursing care to elderly and low-income persons, and the extent of public health nursing care provided to elderly and low-income persons. The department shall submit a report of each annual evaluation to the governor and the general assembly,

c. For grants to county boards of supervisors for the homemaker-home health aide program \$ 6,955,600

Funds appropriated under this paragraph shall be used to provide homemaker-home health aide services with emphasis

on services to elderly and low-income persons and children and adults in need of protective services with the objective of preventing or reducing inappropriate institutionalization. In addition, up to fifteen percent of the funds appropriated under this paragraph may be used to provide chore services. The funds shall not be used for any other purposes. As used in this paragraph:

(1) "Chore services" means services provided to individuals or families, who, due to absence, incapacity, or illness, are unable to perform certain home maintenance functions. The services include but are not limited to yard work such as mowing lawns, raking leaves, and shoveling walks; window and door maintenance such as hanging screen windows and doors, replacing window panes, and washing windows; and minor repairs to walls, floors, stairs, railings, and handles.

(2) "Elderly person" means a person who is sixty years of age or older.

(3) "Homemaker-home health aide services" means services intended to enhance the capacity of household members to attain or maintain the independence of the household members and provided by trained and supervised workers to individuals or families, who, due to the absence, incapacity, or limitations of the usual homemaker, are experiencing stress or crisis. The services include but are not limited to essential shopping, housekeeping, meal preparation, child care, respite care, money management and consumer education, family management, personal services, transportation and providing information, assistance, household management and learning experiences.

(4) "Low-income person" means a person whose income and resources are below the guidelines established by the department.

(5) "Protective services" means those homemaker-home health aide services intended to stabilize a child's or an adult's residential environment and relationships with relatives, caretakers, and other persons or household members in order to alleviate a situation involving abuse or neglect

or to otherwise protect the child or adult from a threat of abuse or neglect.

The amount appropriated under this paragraph shall be allocated for use in the counties of the state. Fifteen percent of the amount shall be divided so that an equal amount is available for use in each county in the state. Of the remaining amount each county shall be allocated for the 1984-1985 fiscal year an amount equal to twenty-five percent of state expenditures for homemaker services in that county for the 1981-1982 fiscal year. After the allocation of the twenty-five percent to each county, the following percentages of the remaining amount shall be allocated to each county according to that county's proportion of residents with the following demographic characteristics compared to all state residents with the same demographic characteristics: sixty percent according to the number of elderly persons living in the county; twenty percent according to the number of low-income persons living in the county; and twenty percent according to the number of substantiated cases of child abuse in the county during the 1980-1981 fiscal year.

For the 1985-1986 fiscal year it is intended that no allocation be made based on those state expenditures for homemaker services but that the entire amount appropriated be allocated by dividing fifteen percent of the amount equally among the counties and by dividing the remaining amount according to the percentages and demographic characteristics stipulated above.

In order to receive allocations under this paragraph, the county board of supervisors, after consultation with the local boards of health, county board of social welfare, area agency on aging advisory council, local office of the department of human services, and other in-home health care provider agencies in the jurisdiction, shall prepare a proposal for the use of the allocated funds available for that jurisdiction that will provide the maximum benefits of expanded homemaker-home health aide services to elderly and low-income persons and children and adults in need of protective services in

the jurisdiction. The proposal may provide that a maximum of fifteen percent of the allocated funds will be used to provide chore services. The proposal shall include a statement assuring that children and adults in need of protective services are given priority for homemaker-home health aide services and that the appropriate local agencies have participated in the formulation of the proposal. After approval of the proposal by the department, the department shall enter into a contract with the county board of supervisors or a governmental body designated by the county board of supervisors. The county board of supervisors or its designee shall subcontract with a nonprofit nurses' association, an independent nonprofit agency, the department of human services, or a suitable local governmental body, to use the allocated funds to provide homemaker-home health aide services and chore services providing that the subcontract requires any service provided away from the home to be documented in a report available for review by the department.

If by July 30 of each year of the biennium, the department is unable to conclude contracts for use of the allocated funds in a county, the department shall consider the unused funds appropriated under this paragraph an unallocated pool. The department shall also identify any allocated funds which the counties do not anticipate spending during each fiscal year of the biennium. If the anticipated excess funds to any county are substantial, the department and the county may agree to return those excess funds, if the funds are other than program revenues, to the department, and if returned, the department shall consider the returned funds a part of the unallocated pool. The department shall prior to February 15 of each fiscal year of the biennium, reallocate the funds in the unallocated pool among the counties in which the department has concluded contracts under this paragraph.

The department shall adopt rules defining eligibility for homemaker-home health aide services and chore services paid for from funds appropriated by this paragraph. The rules shall require each local agency receiving funds to establish

and use a sliding fee scale for those persons able to pay for all or a portion of the cost of the services and shall require the payments to be applied to the cost of the services. The department shall also adopt rules for standards regarding training, supervision, recordkeeping, appeals, program evaluation, cost analysis, and financial audits, and rules specifying reporting requirements.

The department shall annually evaluate the success of the homemaker-home health aide program. The evaluation shall include a description of the program and its implementation, the extent of local participation, the extent to which the program reduced or prevented inappropriate institutionalization, the extent to which the program provided or increased the availability of homemaker-home health aide services to elderly and low-income persons and children and adults in need of protective services, any problems and recommendations concerning the program, and an analysis of the costs of services across the state. The department shall submit a report of the annual evaluation to the governor and the general assembly.

d. Well-elderly clinic grants.

For the development and maintenance of well-elderly clinics in the state \$ 216,367

Sec. 5. There is appropriated from the general fund of the state to the Iowa department of veterans affairs for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	1984-1985
	<u>Fiscal Year</u>
1. For salaries and support of not more than five full-time equivalent positions annually, maintenance, and miscellaneous purposes	\$ 113,280

- 2. For the war orphans educational aid fund \$ 27,216
- 3. For chemical exposure reporting \$ 40,000

It is the intent of the general assembly that the Iowa department of veterans affairs create a reporting procedure for veterans who have been exposed to chemical defoliants, herbicides, or other causative agents, including but not limited to agent orange. The department shall compile and evaluate the information received and shall submit a report on July 15, 1985 to the governor, general assembly, and the United States veterans' administration. The state department of health shall transfer any records and information compiled relating to the exposure of chemicals by veterans to the Iowa department of veterans affairs on the effective date of this Act. Notwithstanding chapter 139A, the Iowa department of veterans affairs shall perform all the duties required of the state department of health under chapter 139A and the attorney general and the state board of regents shall perform the duties required of them under chapter 139A.

Sec. 6. The licensing boards for which general fund appropriations have been provided for in section 3, subsection 1, 2, 3, or 4 and section 4, subsection 5 of this Act may expend additional funds, if those additional expenditures are directly the cause of actual examination expenses exceeding funds budgeted for examinations. Before a licensing board included in section 3, subsection 1, 2, 3, or 4 and section 4, subsection 5 of this Act expends or encumbers an amount in excess of the funds budgeted for examinations, the state comptroller shall approve the expenditure or encumbrance. Before approval is given, the state comptroller shall determine that the examination expenses exceed the funds budgeted by the general assembly to the board and the board does not have other funds from which examination expenses can be paid. Upon approval of the state comptroller the licensing board may expend and encumber funds for excess examination expenses. The amounts necessary to fund the excess examination expenses shall be collected as fees from additional examination

applicants and shall be treated as repayment receipts as defined in section 8.2, subsection 5.

Sec. 7. Chapter 206 of the 1983 Iowa Acts, section 4, subsection 6, paragraph a, unnumbered paragraph 1, subparagraphs (1) through (5) and unnumbered paragraph 5, are amended to read as follows:

- a. For salaries and support of not more than forty-four and thirty-five one-hundredths full-time equivalent positions annually, maintenance, and miscellaneous purposes \$ ~~1,716,699~~ 1,269,717
- (1) Mobile and regional child health specialty clinics \$ ~~252,000~~ 275,156
- (2) Childhood cancer diagnostic and treatment network program \$ ~~40,847~~ 73,845
- (3) Rural comprehensive care for hemophilia patients \$ ~~69,199~~ 116,163
- (4) Muscular dystrophy and related genetic disease programs \$ ~~100,000~~ 109,900
- (5) Statewide perinatal program \$ 45,000

Of the funds allocated to the mobile and regional child health specialty clinics pursuant to subparagraph (1), ~~twenty-one-thousand-(21,000)~~ forty-four thousand one hundred fifty-six (44,156) dollars is intended to be used for the high risk infant follow-up program which may be conducted through the mobile and regional child health specialty clinics.

Sec. 8. Notwithstanding the 1983 Iowa Acts, chapter 206, section 4, subsection 6, paragraph a, unnumbered paragraph 7, the state comptroller shall transfer seventy-four thousand four hundred fifty (74,450) dollars from the office of the state comptroller to the general fund of the state for allocation to the programs identified in section 7 of this Act.

See. 9. This Act, being deemed of immediate importance, takes effect from and after its publication in The Guttenberg Press, a newspaper published in Guttenberg, Iowa, and in The Red Oak Express, a newspaper published in Red Oak, Iowa. Sections 7 and 8 of this Act take effect upon publication. The remainder of the Act takes effect July 1, 1984.

CHARLES P. MILLER
President Pro Tempore of the
Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2334, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319

515 281-9211

May 18, 1984

The Honorable Mary Jane Odell
Secretary of State
State Capitol Building
L O C A L



Dear Madam Secretary:

I hereby transmit Senate File 2334, an act relating to the funding of state agencies for designated service programs including health programs, civil rights, veterans' services, and programs for minority, elderly, and disadvantaged persons for the fiscal year beginning July 1, 1984 and ending June 30, 1985 and making a supplemental appropriation to the department of health for reallocation to the state board of regents for certain programs under the Iowa specialized child health care services for the fiscal year beginning July 1, 1983 and ending June 30, 1984, and providing an effective date.

Senate File 2334 is approved May 18, 1984, with the following exceptions which I hereby disapprove.

I am unable to approve Section 8, which reads as follows:

Sec. 8. Notwithstanding the 1983 Iowa Acts, chapter 206, section 4, subsection 6, paragraph a, unnumbered paragraph 7, the state comptroller shall transfer seventy-four thousand four hundred fifty (74,450) dollars from the office of the state comptroller to the general fund of the state for allocation to the programs identified in section 7 of this Act.

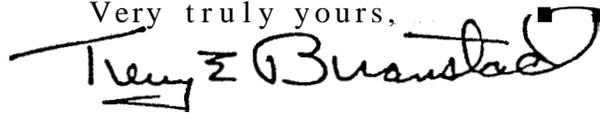
This section requires the State Comptroller to transfer the contingent appropriation that was made for the purposes provided in section 7 of this Act to the general fund of the state. This is confusing as this appropriation has not been

The Honorable Mary Jane Odell
May 18, 1984
Page 2

distributed to the Board of Regents and is currently part of the general fund. It will revert on June 30, 1984, under the provisions of section 8.33, Code of Iowa. Since section 7 makes a supplemental appropriation which provides sufficient funding for the Specialized Child Health Services programs, distribution of the contingent fund is unnecessary.

For the above reasons, I respectfully disapprove of this item in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of Senate File 2334 are hereby approved as of this date.

Very truly yours,

A handwritten signature in black ink, reading "Terry E. Branstad". The signature is written in a cursive style with a large, stylized "B".

Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

SENATE FILE 2337

AN ACT

RELATING TO TRANSPORTATION BY MAKING APPROPRIATIONS TO STATE AGENCIES WHOSE RESPONSIBILITIES RELATE TO TRANSPORTATION, PUBLIC SAFETY AND PUBLIC DEFENSE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. There is appropriated from the general fund of the state to the following named agencies for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amounts, or so much thereof as is necessary, for the purposes designated:

1984-1985
Fiscal Year

1. IOWA LAW ENFORCEMENT
ACADEMY

For salaries, support, maintenance, and miscellaneous purposes \$ 797,300

2. DEPARTMENT OF PUBLIC
DEFENSE

Military division

For salaries, support, maintenance, and miscellaneous purposes \$ 2,993,334

Notwithstanding section 29A.33, the per capita annual allowance to units will be five dollars per capita to be paid on a semiannual basis in installments of two dollars fifty cents per capita for the fiscal year beginning July 1, 1984 and ending June 30, 1985. The per capita allowance shall be used for morale purposes and be for the welfare of the troops and in no circumstances expended for support and maintenance.

3. OFFICE OF DISASTER SERVICES

For salaries, support, maintenance, and miscellaneous purposes \$ 118,295

Sec. 2. There is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amounts, or so much thereof as is necessary, to be used for funding the following functions and programs for the purposes designated:

1984-1985
Fiscal Year

DEPARTMENT OF PUBLIC SAFETY

1. ADMINISTRATIVE FUNCTION

For salaries, support, maintenance, and miscellaneous purposes of the department, criminal justice information system, and radio communications \$ 4,687,600

It is the intent of the general assembly that only ten percent of the funds appropriated under this paragraph shall be used for the payment of operational expenses.

2. INSPECTION FUNCTION

For salaries, support, maintenance, and miscellaneous purposes of fire marshal's inspections, administration of the state building code, arson investigators including the state's contribution to the peace officers' retirement, accident, and disability provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated \$ 1,026,700

3. SECURITY FUNCTION

For salaries, support, maintenance, and miscellaneous purposes of the capitol security division \$ 672,000

4. INVESTIGATION FUNCTION

a. For salaries, support, maintenance, and miscellaneous purposes, including lease or lease purchase of laboratory equipment, of the division of criminal investigation containing the bureaus of identification, drug law enforcement, welfare fraud, and beer and liquor law enforcement, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated \$ 4,663,500

b. For undercover purchases by the division of criminal in-

vestigation agents and local law enforcement agents \$ 200,000

c. For salaries, support, maintenance, and miscellaneous purposes for the employment of new pari-mutuel law enforcement agents, including the state's contribution to the peace officers' retirement, accident, and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated \$ 175,000

It is the intent of the general assembly that the division of criminal investigation of the department of public safety shall purchase not more than five motor vehicles of any make or model based upon specifications submitted by the department.

5. DIVISION OF HIGHWAY SAFETY AND UNIFORMED FORCE

a. For various crime prevention programs sponsored within the department of public safety \$ 53,125

The Iowa highway safety patrol shall endeavor to purchase one-half of the motor fuel and special fuel necessary to operate motor vehicles from state department of transportation facilities. For the fiscal year beginning July 1, 1984 and ending June 30, 1985, the general assembly assumes that there is substantial compliance with this requirement if the Iowa highway safety patrol purchases at least forty-five percent of the motor fuel and special fuel necessary to operate motor vehicles from state department of transportation facilities. If the state comptroller's estimates of motor fuel and special fuel prices exceeds the amount needed for purchase of motor fuel and special fuel necessary to operate Iowa highway safety

patrol motor vehicles, the amount of the difference may be expended only for the maintenance of the motor vehicle fleet of the Iowa highway safety patrol. The Iowa highway safety patrol shall report the amount expended for the total purchases of motor fuel and special fuel and the amount expended for fleet maintenance to the transportation and law enforcement appropriations subcommittee not later than August 1 following the end of the fiscal year.

It is the intent of the general assembly that the department of public safety shall not retain more than seven motor vehicles at department headquarters for departmental use. All of these motor vehicles, except two, shall be properly marked to identify the department of public safety.

Sec. 3. There is appropriated from the general fund of the state to the state department of transportation for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

1984-1985
Fiscal Year

STATE DEPARTMENT OF TRANSPOR-
TATION

- 1. For salaries, support, maintenance, and miscellaneous purposes \$ 5,359,853
- 2. For public transit purposes to implement a state assistance plan \$ 1,854,600

Notwithstanding chapter 8, it is the intent of the general assembly that funds appropriated for public transit purposes to implement a state assistance plan shall be allocated in whole or in part to a public transit system prior to the time actual expenditures are incurred if the allocation is first approved by the state department of transportation. A public transit system shall make application for advance allocations

to the state department of transportation specifically stating the reasons why an advance allocation is required and this allocation shall be included in the total to be audited.

- 3. For deposit in the rail-road assistance fund for branch line improvement \$ 972,000

Sec. 4. There is appropriated from the road use tax fund to the state department of transportation for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

1984-1985
Fiscal Year

STATE DEPARTMENT OF TRANSPOR-
TATION

- 1. For salaries, support, maintenance, and miscellaneous purposes \$ 13,094,154
- 2. For funding for two pilot projects for area-wide ride-sharing programs authorized by law \$ 5,000
- 3. For the purpose of making payments to the Iowa merit employment department for expenses incurred in administering the merit system on behalf of the state department of transportation, as required by chapter 19A \$ 18,000
- 4. Unemployment compensation \$ 12,250

Sec. 5. There is appropriated from the road use tax fund to the state comptroller for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of twenty-three thousand (23,000) dollars, or so much thereof as is necessary, to be used for the purpose of paying workers' compensation

claims under chapter 85 on behalf of employees of the state department of transportation.

Sec. 6. There is appropriated from the primary road fund to the state department of transportation for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amounts, or so much thereof as may be necessary, to be used for the following purposes:

	1984-1985 <u>Fiscal Year</u>
STATE DEPARTMENT OF TRANSPORTATION	
1. For salaries, support, maintenance, and miscellaneous purposes	\$121,438,357
2. To be deposited in the state department of transportation materials and equipment revolving fund established by section 307A.7 for funding the increased replacement cost of vehicles	\$ 2,000,000
3. For the purpose of making payments to the Iowa merit employment department for expenses incurred in administering the merit system on behalf of the state department of transportation, as required by chapter 19A	\$ 342,000
4. Unemployment compensation	\$ 232,750

Sec. 7. There is appropriated from the primary road fund to the state comptroller for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of four hundred thirty-seven thousand (437,000) dollars, or so much thereof as is necessary, for the purpose of paying workers' compensation claims under chapter 85 on behalf of the employees of the state department of transportation.

Sec. 8. There is appropriated from the state aviation fund to the state department of transportation for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the following amount, or so much thereof as may be necessary, to be used for the following purposes:

	1984-1985 <u>Fiscal Year</u>
For salaries, support, maintenance, and miscellaneous purposes	\$ 331,000

Sec. 9. 1983 Iowa Acts, chapter 198, section 31, is amended to read as follows:

SEC. 31. Notwithstanding the provisions of section 423.24, there is transferred from revenues collected under chapter 423 during the fiscal year beginning July 1, 1983 and ending June 30, 1984, from the use tax imposed on motor vehicles, trailers and motor vehicle accessories and equipment under section 423.7 the sum of one million (1,000,000) dollars which shall be transferred to the state department of transportation for public transit assistance for the fiscal year beginning July 1, 1983 and ending June 30, 1984. The funds transferred under this section to the state department of transportation for public transit assistance shall be considered ~~in advance~~ an interest-free loan of funds to be received for public transit assistance under the Surface Transportation Assistance Act of 1982 and the road use tax fund shall receive reimbursement of the ~~funds from receipts received by the state department of transportation for public transit assistance from the United States government pursuant to the Surface Transportation Assistance Act of 1982~~ loan during the fiscal period beginning July 1, ~~1983~~ 1984 and ending June 30, ~~1985~~ 1989.

Sec. 10. Section 312.2, subsection 5, unnumbered paragraph 1, Code Supplement 1903, is amended to read as follows:

The treasurer of state shall before making the above allotments credit annually to the highway grade crossing safety fund the **sum** of seven hundred thousand dollars, credit annually from the road use tax fund the **sum** of ~~five~~ nine hundred thousand dollars to the highway railroad grade crossing surface repair fund, credit monthly to the primary road fund the dollars yielded from an allotment of sixty-five hundredths of one percent of all road use tax funds for the express purpose of carrying out subsection 11 of section 307A.2, section 313.4, subsection 2, and section 307A.5, and credit annually to the primary road fund the **sum** of five hundred thousand dollars to be used for paying expenses incurred by the state department of transportation other than expenses incurred for extensions of primary roads in cities. All unobligated funds provided by this subsection, except those funds credited to the highway grade crossing safety fund, shall at the end of each year revert to the road use tax fund. Funds in the highway grade crossing safety fund shall not revert to the road use tax fund except to the extent they exceed five hundred thousand dollars at the end of any biennium. The cost of each highway railroad grade crossing repair project shall be allocated in the following manner:

Sec. 11. Registration fees collected under section 321.109 and 321.122, subsection 1, paragraph a, to the extent that these fees exceed one hundred twenty million (120,000,000) dollars for the fiscal year beginning July 1, 1983 and ending June 30, 1984, shall be placed in escrow by the treasurer of state until April 15, 1985 and then credited to the road use tax fund.

Sec. 12. 1983 Iowa Acts, chapter 198, section 34, is repealed.

Sec. 13. All federal grants to and the federal receipts of the agencies appropriated funds under this Act are appropriated for the purposes set forth in such federal grants and receipts unless otherwise provided by the general assembly.

Sec. 14. Section 10 takes effect July 1, 1985.

Sec. 15. This Act, being deemed of immediate importance, takes effect from and after its publication in The Bancroft Register, a newspaper published in Bancroft, Iowa and in the Carroll Daily Times-Herald, a newspaper published in Carroll, Iowa.

CHARLES P. MILLER
President Pro Tempore of the
Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2337, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

May 18, 1984



The Honorable Mary Jane Odell
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit Senate File 2337, an act relating to transportation by making appropriations to state agencies whose responsibilities relate to transportation, public safety and public defense.

Senate File 2337 is approved May 18, 1984, with the following exceptions which I hereby disapprove.

I am unable to approve Section 2, subsection 1, unnumbered paragraph, which reads as follows:

It is the intent of the general assembly that only ten percent of the funds appropriated under this paragraph shall be used for the payment of operational expenses.

In the original bill, this paragraph referred to the victim reparation program which was Later deleted. It has no application in the current context of the bill and if not excised would limit the Department of Public Safety's administration appropriation. This was not intended.

I am also unable to approve Section 4, subsection 2, which reads as follows:

2. For funding for two pilot projects for area-wide ridesharing programs authorized by law..\$5,000

The Honorable Mary Jane Odell
May 18, 1984
Page 2

This subsection appropriates funds from the road use tax fund for two pilot projects for area-wide ride-sharing programs. The Department of Transportation currently has a similar program in central Iowa which is funded through the operating budget. I feel it is not good policy to establish a precedent of funding such programs from the road use tax fund.

For the above reasons, I respectfully disapprove of these items in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of Senate File 2337 are hereby approved as of this date.

Very truly yours,



Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

SENATE FILE 2342

AN ACT

RELATING TO REGIONAL TRANSIT SYSTEMS BY DEFINING THE SYSTEMS TO INCLUDE SYSTEMS WHICH RECEIVE STATE OR FEDERAL FUNDS, BY PROVIDING MOTOR FUEL AND SPECIAL FUEL TAX EXEMPTIONS FOR THESE SYSTEMS, AND BY PROVIDING FREE REGISTRATION PLATES AND VALIDATION STICKERS FOR THESE SYSTEMS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 321.19, subsection 1, Code Supplement 1983, is amended to read as follows:

1. All vehicles owned or leased for a period of sixty days or more by the government and used in the transaction of official business by the representatives of foreign governments or by officers, boards, or departments of the government of the United States, and by the state, counties, municipalities and other political subdivisions of the state including vehicles used by an urban transit company operated by a municipality, regional transit system, and self-propelling vehicles used neither for the conveyance of persons for hire, pleasure, or business nor for the transportation of freight other than those used by an urban transit company operated by a municipality, regional transit system, and all fire trucks, providing they are not owned and operated for a pecuniary profit, are exempted from the payment of the fees imposed by this chapter, except as provided for urban transit companies in subsection 2, but are not exempt from the penalties provided in this chapter. The department shall furnish, on application, free of charge, distinguishing plates for vehicles thus exempted, which plates except plates on Iowa highway safety patrol vehicles shall bear the word "official," and the department shall keep a separate record. Registration plates issued for Iowa highway safety patrol vehicles, except unmarked patrol vehicles, shall bear **two** red stars on a yellow background, one before and one following the registration number on the plate which registration number

shall be the officer's badge number. Registration plates issued for a county sheriff's patrol vehicles shall display one seven pointed gold star on a green background followed by the letter "S" and the call number of the vehicle. However, the director of general services or the director of transportation may order the issuance of regular registration plates for any exempted vehicle used by peace officers in the enforcement of the law and persons enforcing chapter 204 and other laws relating to controlled substances. For purposes of sale of exempted vehicles, the exempted governmental body, upon the sale of the exempted vehicle, may issue for in-transit purposes a pasteboard card bearing the words "Vehicle in Transit," the name of the official body from which the vehicle was purchased, together with the date of the purchase plainly marked in at least one-inch letters, and other information which may be required by the department. The in-transit card shall be valid for use only within forty-eight hours after the purchase date as indicated on the bill of sale which shall be carried by the driver.

Sec. 2. Section 321.19, subsection 2, unnumbered paragraph 2, Code Supplement 1983, is amended to read as follows:

Any person, firm, corporation, or company operating an urban transit system shall pay to the county treasurer annually as a registration fee for each bus, car, or vehicle used in the transportation of passengers, five dollars, which shall be paid into the city general fund. Any urban transit company operated by a municipality is not required to pay such registration fees. The ~~motor-vehicle~~ department, in accordance with subsection 1, shall furnish distinguishing plates for vehicles used by urban transit companies operated by a municipality. No other provision of law providing for the payment of taxes, registration, or license fees for vehicles shall be applicable to any bus, car, or vehicle for the transportation of passengers owned and operated by any urban transit company.

Sec. 3. Section 321.19, Code Supplement 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 3. "Regional transit system" means a public transit system serving one county or **all or** part of a multicounty area whose boundaries correspond to the same boundaries as those of the regional planning areas designated by the governor, except as agreed upon by the department. Each county board of supervisors within the region is responsible for determining the service and funding within its county. However, the administration and overhead support services for the overall regional transit system shall be consolidated into one existing **or** new agency to be mutually agreed upon by the participating members. Privately chartered bus services and uses other than providing ~~services~~ that are open and public on a shared ride basis shall not be construed to be a regional transit system.

Sec. 4. Section 321.22, Code 1993, is amended to read as follows:

321.22 URBAN AND REGIONAL TRANSIT EQUIPMENT PLATES.

1. An urban transit company or system having a franchise to operate in any city and any regional transit system may make application to the ~~motor-vehicle~~ department, upon forms furnished by the department, for a certificate containing a distinguishing number and **for one or** more pairs of transit bus plates to be attached to the front and rear of buses owned or operated by the ~~urban~~ transit company or system.

2. The department shall issue to the applicant a certificate, or certificates, containing, but not limited to, the applicant's name and address, the distinguishing number assigned to the applicant, and such other information deemed necessary by the department for proper identification of the buses.

3. The department shall issue ~~urban~~ transit bus (license) plates as applied for, which shall have imprinted thereon the words "Urban Transit Bus," and the distinguishing number assigned to the applicant. The department shall issue the certificates and plates without fee.

4. Every ~~urban~~ transit bus plate issued ~~hereunder~~ shall expire at midnight on ~~the thirtieth day of~~ June **30** of each

year, and new-plates or validation tickers for the ensuing year may be obtained upon proper application.

Sec. 5. Section 324.3, subsection 4, Code Supplement 1983, is amended to read as follows:

4. Motor fuel used in the operation of an Iowa urban transit system or regional transit system. Any fuel sold to an Iowa urban transit system or regional transit system which is used for any **a** purpose other than as specified in section 324.57, ~~subsection~~ subsections 9 and 11, shall is not be exempt from the tax.

Sec. 6. Section 324.35, unnumbered paragraphs 3 and 4, Code 1983, are amended to read as follows:

No tax is imposed under this division on special fuel used in the operation of an Iowa urban transit system or regional transit system, except that any special fuel sold to an Iowa urban transit system or regional transit system, which is used for any purpose other than as specified in section 324.57, ~~subsection~~ subsections 9 and 11, shall is not be exempt from the tax.

A tax shall not be imposed under this division and ~~the provisions of~~ sections 324.34, 324.36, and 324.38 shall are not be applicable if special fuel is sold to the state, any of its agencies, an Iowa urban transit system, regional transit system, or any political subdivision of the state when the special fuel is delivered into storage tanks, regardless of size, and all of the special fuel is used for public purposes.

Sec. 7. Section 324.57, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 11. "Regional transit system" means a public transit system serving one county **or** all or part of a multicounty area whose boundaries correspond to the same boundaries as those of the regional planning areas designated by the governor, except as agreed upon by the department. Each county board of supervisors within the region is responsible for determining the service and funding within its county. However, the administration and overhead support services for the overall regional transit system shall be

consolidated into one existing or new agency to be mutually agreed upon by the participating members. Privately chartered bus services and uses other than providing services that are open and public on a shared ride basis shall not be construed to be a regional transit system.

Sec. 8. Section 325.1, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 10. "Regional transit system" means a public transit system serving one county or all or part of a multicounty area whose boundaries correspond to the same boundaries as those of the regional planning areas designated by the governor, except as agreed upon by the department. Each county board of supervisors within the region is responsible for determining the service and funding within its county. However, the administration and overhead support services for the overall regional transit system shall be consolidated into one existing or new agency to be mutually agreed upon by the participating members. Privately chartered bus services and uses other than providing services that are open and public on a shared ride basis shall not be construed to be a regional transit system.

Sec. 9. Section 325.6, subsection 3, Code 1983, is amended to read as follows:

3. A ~~motor-carrier~~ regional transit system providing primarily passenger service for ~~elderly, handicapped and other~~ transportation of disadvantaged persons shall be as defined in section 6015.1 is exempt from certification requirements of this section if it satisfies each of the following requirements:

a. The ~~motor-carrier~~ regional transit system is not a corporation organized for profit under the laws of Iowa or any other state or the ~~motor-carrier~~ regional transit system is a governmental organization.

b. The ~~motor-carrier~~ regional transit system receives any operating funds from federal, state or local government sources.

c. The reber-carrier regional transit system does not duplicate a transportation service provided by a ~~motor-carrier~~ regional transit system issued a certificate of convenience and necessity.

Each ~~motor-carrier~~ regional transit system exempt under the provisions of this subsection shall obtain a permit from the department which shall be nontransferable. Such carriers shall comply with all safety, insurance and other rules of the department pertaining to a publicly funded transit system.

CHARLES P. MILLER
President Pro Tempore of the
Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2342, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor

SENATE FILE 2351

AN ACT

RELATING TO THE ADMINISTRATION AND FINANCING OF CURRENT PROGRAMS OTHER THAN MENTAL HEALTH PROGRAMS UNDER THE JURISDICTION OF THE DEPARTMENT OF HUMAN SERVICES AND TO THE FOSTER CARE REVIEW BOARD FOR THE FISCAL YEAR BEGINNING JULY 1, 1984, AND ENDING JUNE 30, 1985.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the department of human services for general administration, the following amounts, or so much thereof as is necessary:

1984-1985
Fiscal Year

For salaries and support of not more than four hundred twenty-six and seventy-three hundredths full-time equivalent positions annually, maintenance, and miscellaneous purposes, including an amount necessary to implement a medically needy program \$ 7,187,000

For the fiscal year beginning July 1, 1984, and ending June 30, 1985, the department may receive and there is appropriated, in addition to its appropriations from the general fund of the state, such funds from damages awarded to the state by the civil antitrust judgment involving the sale of chickens, to the department for use in the distribution of federal surplus commodities, if the judgment allows the funds received to be used for such purposes.

Sec. 2. FIELD OPERATIONS. There is appropriated from the general fund of the state for the fiscal year beginning

July 1, 1984, and ending June 30, 1985, to the department of human services for the division of field operations, the following amounts, or so much thereof as is necessary:

1984-1985
Fiscal Year

For salaries and support of not more than two thousand one hundred eighty-nine and three-tenths full-time equivalent positions annually which includes three additional protective service workers, maintenance, and miscellaneous purposes \$ 19,768,000

Sec. 3. SPECIAL PROGRAMS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the department of human services, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1984-1985
Fiscal Year

SPECIAL PROGRAMS

1. For aid to families with dependent children \$ 64,600,000

a. The department shall establish the schedule of living costs for one person at two hundred thirteen dollars, for two persons at four hundred twenty-one dollars, for three persons at four hundred ninety-seven dollars, for four persons at five hundred seventy-eight dollars, for five persons at six hundred forty dollars, for six persons at seven hundred twelve dollars, for seven persons at seven hundred eighty-two dollars, for eight persons at eight hundred fifty-three dollars, for nine persons at nine hundred twenty-three dollars, for ten persons at one thousand nine dollars, and for each additional person at one hundred one dollars per person. The department shall not increase current grant payments under the aid to families with dependent children program.

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b. The department shall establish and operate a work incentive demonstration program for recipients of aid to families with dependent children and shall incorporate the coordinated manpower services demonstration projects for recipients of aid to families with dependent children in two of the department's districts as a part of the work incentive demonstration program. All recipients who participate in the work incentive demonstration program shall be paid a transportation and participation allowance of five dollars for each day the recipients are determined to be eligible for the allowance. The department may use funds appropriated by this subsection to pay the allowances if federal funds are insufficient to pay the allowances.

2. For medical assistance, including reimbursement for all covered services, except for services in institutions for mental diseases or intermediate care facilities for the mentally retarded, to a pregnant woman or child under twenty-one years of age under a medically needy program to be effective November 1, 1984, for a two-month certification period and retroactive for a three-month period as authorized under federal law or regulation, provided the income of the woman or child is reduced by allowable medical expenses to one hundred thirty-three percent of the assistance which would be payable to a similarly situated woman or child under the aid to families with dependent children program and provided the woman or child would also qualify under the resource guidelines of the aid to families with dependent children program, notwithstanding any contrary provision of chapter 249A, and reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessary. Medically necessary abortions are those performed under any of the following conditions:

a. The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.

b. The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.

c. The pregnancy is the result of a rape which is reported within forty-five days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

d. The pregnancy is the result of incest which is reported within one hundred fifty days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

e. Any spontaneous abortion, commonly known as a miscarriage, if not all of the products of conception are expelled \$ 139,350,000

For purposes of a medically needy program, the department may seek a waiver pursuant to Title XIX, section 1915(b) of the federal social Security Act and, if a waiver is granted, the department may enter into contracts with cost-effective providers, including the university of Iowa hospitals and clinics. It is the intent of the general assembly that the funds due the university hospitals under such a contract shall be taken from the appropriation to the university hospitals for medical and surgical treatment of indigent patients as provided in chapter 255. The department and the university hospitals, in consultation with the state comptroller, shall establish procedures for the proper accounting of the funds due the university hospitals under such a contract for the purpose of qualifying the amount of the funds as state matching funds pursuant to Title XIX of the federal Social Security Act. Such a contract for the provision of hospital and professional care for medically needy indigent obstetric and newborn patients by the university of Iowa hospitals and clinics, shall be limited in applicability to those counties containing and adjacent to counties which contain the

university hospitals or existing prenatal clinics of the university hospitals, and shall take into consideration the number of obstetric and newborn patients served from those counties **during** the prior fiscal year under the statewide indigent patient care program established by chapter 255. The medically needy program established under this section shall not limit a patient's right to use the statewide indigent patient care program for obstetric and newborn services.

During the fiscal year beginning July 1, 1984, the university hospitals shall collect and submit monthly to the legislative fiscal bureau, while maintaining patient confidentiality, the following data related to the medically needy program:

(1) The number and types of indigent patients referred to the university hospitals under the statewide indigent patient care program established by chapter 255, the types of services, including obstetrical services, provided to the indigent patients, and associated hospital charges incurred related to available appropriation support.

(2) The number and types of all medical assistance patients served at the university hospitals, the types of services, including obstetrical services, provided to the patients, and the actual hospital charges and medical assistance payments associated with the provision of the services.

(3) The number and types of medically needy patients served at the university hospitals, the types of services, including obstetrical services, provided to the patients, and the actual hospital charges and medical assistance payments associated with the provision of the services.

The university hospitals shall also provide to the legislative fiscal bureau the data described in subparagraph (1) for the fiscal year beginning July 1, 1983, and ending June 30, 1984.

During the fiscal year beginning July 1, 1984, the university hospitals shall continue to collect information

from the counties on patients served under the statewide indigent patient care program established by chapter 255, including information on family, employment, and financial status, third-party coverage, county of residence, and other necessary information, with all information identifying individuals considered patient records of the university hospitals and its confidentiality maintained accordingly. The information shall be integrated with data regarding services provided to the patients and the charges for the services and shall be provided to the legislative fiscal bureau. The department shall maintain records on the use of the medical assistance program by individuals qualifying under the medically needy program and the cost of that use to the state. By March 1, 1985, from the data collected, the department shall estimate the annual medical assistance cost of the program to the state, and, if that amount exceeds four million five hundred thousand dollars, the department shall present to the general assembly program alternatives to reduce the cost to the medical assistance program to or below four million five hundred thousand dollars. The legislative fiscal bureau shall estimate the increased reimbursements to the university of Iowa hospitals and clinics under the medically needy program for patients who otherwise would have used the statewide indigent patient care program. The legislative fiscal bureau shall not collect information on the use of county emergency relief funds to provide medical services to persons who would qualify for medical services under a medically needy component of the medical assistance program. The legislative fiscal bureau shall review options for hospital involvement in the financing of any potential modifications to the medically needy program.

The department shall not require prior authorization under the medical assistance program for the receipt of prescription drugs subject to the maximum allowable cost limitations.

The department shall make available reimbursements under the medical assistance program for the following over-the-counter drugs if ordered by a person authorized to prescribe prescription drugs: aspirin and acetaminophen; ferrous salts of iron; prenatal multiple vitamins; and with prior authorization, other multiple vitamins.

If the department reasonably expects that savings from the implementation of a drug utilization review program will cover the department's share of the costs of a contract for the development and implementation of such a program, the department may contract with the Iowa pharmacy foundation for the development and implementation of such a program. The program shall establish written criteria and standards defining acceptable pharmaceutical services, assess rendered services by using the criteria and standards, correct performance deficiencies through education, assess the results of the education directed at correcting the deficiencies, and document any savings as a result of the implementation of the program.

The department shall proceed with its proposal for a program of home and community-based services to be provided pursuant to a waiver under Title XIX of the federal Social Security Act in order to provide cost effective alternatives to placements in long-term-care medical institutions. The program shall be funded with the appropriation made by this subsection. A county shall reimburse the department for the cost of services under the program, which is not paid from federal funds, to mentally retarded or mentally ill persons with legal settlement in the county at the same percentage which the county is required to reimburse the state for mentally retarded or mentally ill persons receiving services at state institutions.

- 3. For contractual services-
medical carrier \$ 2,200,000
- 4. For child support recoveries,

including salaries and support of not more than ninety-six full-time equivalent positions annually, except as otherwise provided in this subsection, maintenance, and miscellaneous purposes \$ 840,000

The commissioner of human services, within the limitations of the funds appropriated in this subsection or funds transferred from the aid to families with dependent children program for this purpose, may establish new positions and add additional employees to the child support recovery unit when the commissioner determines that both the current and additional employees together can reasonably be expected to recover for the aid to families with dependent children program and the nonpublic assistance support recovery program more than twice the amount of money required to pay the salaries and support for both the current and additional employees. The department shall demonstrate the cost effectiveness of the current and additional employees by reporting to the social services appropriations subcommittee the ratio of the total amount of administrative costs for child support recoveries to the total amount of the child support recoveries.

- 5. For state supplementary assistance, including state supplementary assistance for the blind \$ 8,450,000
- 6. For aid to Indians under section 252.43 \$ 37,000
The tribal council shall not use more than ten percent of the funds for administrative expenses.
- 7. For home-based services \$ 5,180,000
Of the funds appropriated by this subsection, one hundred sixty thousand (160,000) dollars, or so much thereof as is necessary, is appropriated for family planning services.
- 8. For foster care \$ 21,930,000

Of the funds appropriated by this subsection, sixty-three thousand (63,000) dollars, or so much thereof as is necessary, is appropriated for foster parent training.

The department may transfer a portion of the funds appropriated by this subsection for use in providing subsidized adoption services, if funds allocated under subsection 7 are insufficient to provide necessary subsidized adoption services.

No more than forty percent of all children in foster care funded under Title IV, Part E of the federal Social Security Act shall be in foster care for more than twenty-four months.

9. For community-based services \$ 1,650,000

a. Of the funds appropriated by this subsection, four hundred twenty-five thousand (425,000) dollars, or so much thereof as is necessary, is appropriated to assist child care centers under section 237A.13. Notwithstanding section 237A.13, subsection 4, funds unencumbered as of April 30, 1985, shall not be reallocated unless the unencumbered funds reclaimed exceed two thousand dollars.

b. Of the funds appropriated by this subsection, one hundred twenty-five thousand (125,000) dollars, or so much thereof as is necessary, is appropriated for child abuse prevention services.

c. Of the funds appropriated by this subsection, one hundred thousand (100,000) dollars, or so much thereof as is necessary, is appropriated for programs for displaced homemakers, and one hundred thousand (100,000) dollars, or so much thereof as is necessary, is appropriated for programs for victims of domestic abuse.

d. Of the funds appropriated by this subsection, two hundred fifty-five thousand (255,000) dollars, or so much thereof as is necessary, is appropriated to provide grants for community-based juvenile services to reduce the need for long-term juvenile institutional placements and to encourage home-based treatment programs as alternatives to juvenile institutional care. Except as provided in paragraph "e",

the department shall only approve grants for nonresidential community-based juvenile services and shall give priority in the approval of grants to projects which divert juveniles from incarceration in jails or provide services to reduce the population at state juvenile institutions.

e. Of the funds appropriated by paragraph "d", fifty thousand (50,000) dollars, or so much thereof as is necessary, may be used for diagnostic and evaluation services for juveniles.

f. The commissioner of human services shall pay from funds appropriated by this subsection, as the entitled aid from the state under section 232.142, subsection 4, one-half of one percent of the total cost of the establishment, improvements, operation, and maintenance of approved county or multicounty juvenile homes.

10. For county-based reimbursement under section 232.141, subsection 4, paragraph d \$ 1,550,000

11. For operation of the state training school and the Iowa juvenile home, including salaries and support of not more than one hundred ninety-six and one-half full-time equivalent positions at the state training school and of not more than one hundred fifteen full-time equivalent positions at the Iowa juvenile home, maintenance, and miscellaneous purposes \$ 7,235,000

The department shall close a living unit at the training school for juvenile delinquents at Eldora and shall periodically notify the chief judges of the judicial districts and the chairpersons and ranking members of the social services appropriations subcommittee of the number of resident inmates at the Eldora campus when that number equals or approaches

one hundred eighty. Notwithstanding the entering of orders for placement at the Eldora campus of the state training school pursuant to section 232.52, subsection 2, paragraph ~~one~~, on and after the date of the closing of the living unit at the Eldora campus the department shall not admit any juvenile to the Eldora campus unless the Eldora campus has less than one hundred eighty resident inmates at the time of admission. The department shall place the names of those juveniles, who are subject to order6 for placement at the Eldora campus of the state training school but cannot be admitted upon the entering of the orders, on a waiting list. The department shall establish priority admission policies for those juveniles on the waiting list and shall notify the courts ordering placement of the tentative admission dates for the juveniles.

12. For volunteers \$ 72,000

Sec. 4. BLOCK GRANT SUPPLEMENTATION. There is appropriated from the general fund of this state for the fiscal year beginning July 1, 1984, and ending June 30, 1985. to the department of human services for supplementation of federal social services block grant funds and for allocation to the various counties for the purchase of local services for eligible individuals, the following amount, or so much thereof as is necessary:

1984-1985
Fiscal Year
\$ 2,940,000

1. Of the funds appropriated by this section, two million six hundred ninety thousand (2,690,000) dollars, or so much thereof as is necessary, is appropriated for allocation to counties for the purchase of local services other than additional child day care services for which funds are appropriated in subsection 2. The department shall increase the current income guidelines for income eligible persons receiving services, other than child day care services, funded

with federal social services block grant funds for the fiscal year beginning July 1, 1984 by the same percentage and at the same time as federal social security benefits are increased due to a recognized increase in the cost of living. The department shall increase the current income guidelines for income eligible persons receiving child day care services funded with federal social services block grant funds for the fiscal year beginning July 1, 1984 by no more than ten percent. If the department determines that funds allocated under this subsection will not be fully expended, the department may increase the income guidelines in order to provide for the expenditure of all funds allocated under this subsection. A county may use up to four percent of the federal social services block grant funds and funds allocated to the county under this subsection for the purchase of child day care services without matching the federal and state funds with local funds.

2. Of the funds appropriated by this section, two hundred fifty thousand (250,000) dollars, or so much thereof as is necessary, is appropriated for allocation to counties, on the same basis as funds are allocated under subsection 1, for the purchase of additional child day care services without requiring the counties to provide matching local funds. The funds appropriated by this subsection shall be used to supplement and shall not be used to replace federal social services block grant funds or state funds allocated under subsection 1 by the county for child day care services, provided the county's allocation of such funds for child day care services is at least equal to the county's expenditure of such funds for child day care services in the fiscal year ending June 30, 1983. The department shall reallocate funds under this subsection from counties which do not qualify for or do not utilize the funds to counties which do qualify for the funds. If the department determines that funds allocated under this subsection will not be fully expended, the

department may increase the income guidelines in order to provide for the expenditure of all funds allocated under this subsection.

3. The department, in establishing eligibility standards for sheltered work and work activity services, shall disregard the first sixty-five dollars of income from sheltered work or work activity services **and** fifty percent of any income from sheltered work or work activity services above sixty-five dollars.

Sec. 5. REIMBURSEMENT RATES.

1. Except for inpatient and outpatient hospital services, skilled nursing facility services, intermediate care facility services, intermediate care facility services for the mentally retarded, home health agency services, rural health clinic services, rehabilitation agency services, mental hospital services, and out-of-state hospital services, the reimbursement rates and reimbursements for medical assistance providers on July 1, 1984 shall be established at the levels in effect on July 1, 1983, increased by an amount which equals no more than one and two-tenths percent of the reimbursement rates in effect on July 1, 1983. The department shall continue to reduce reimbursements for services other than rural health clinic services by a factor of two and one-half percent in the same manner as provided in 1983 Iowa Acts, chapter 201, section 5, subsection 1, paragraph "b".

a. Beginning July 1, 1984, the department shall establish the medical assistance reimbursement rate for psychologists at the fortieth percentile of psychologist profiles compiled for the fiscal year beginning July 1, 1982, and ending June 30, 1983. However, no reimbursement rate shall be **less** than the rate in effect on June 30, 1984. Effective November 1, 1984, the reimbursement rate may be increased by an amount which equals no more than three percent of the reimbursement rate in effect on July 1, 1984.

b. Beginning July 1, 1984, the department shall establish the medical assistance reimbursement rate for optometrists at the twenty-eighth percentile of optometrist profiles compiled for the fiscal year beginning July 1, 1982, and ending June 30, 1983. However, no reimbursement rate shall be less than the rate in effect on June 30, 1984. Effective November 1, 1984, the reimbursement rate may be increased by an amount which equals no more than three percent of the reimbursement rate in effect on July 1, 1984.

c. Beginning July 1, 1984, the basis for establishing the maximum medical assistance reimbursement rate for intermediate care facilities shall be no higher than the sixty-sixth percentile of all facilities' per diems as calculated from the June 30, 1984 compilation of unaudited financial and statistical reports. The department shall reinstate the incentive and inflation payments, as set forth in departmental rules prior to November 1, 1983, to facilities with costs below the maximum reimbursement rate for services provided on or after July 1, 1984.

2. For the fiscal year beginning July 1, 1984:

a. The maximum reimbursement rate for residential care facilities utilizing the cost-related reimbursement system shall be established at the point where twenty-five percent of such facilities would have received full cost coverage for their actual allowable per diems in effect on June 30, 1984.

b. The flat reimbursement rate for residential care facilities shall be established at twelve dollars and thirty-five cents per day.

c. The reimbursement rates and reimbursements for in-home health related care under the state supplementary assistance program shall be established at the levels in effect on October 31, 1983.

3. For the fiscal year beginning July 1, 1984, the current reimbursement rates for all foster family homes and for

subsidized adoptions may be increased, on the average, by not more than three percent of the reimbursement rates in effect on July 1, 1983. However, that average increase shall be distributed in such a manner as to increase the reimbursements to all foster family age categories by the same dollar amount.

4. For the fiscal year beginning July 1, 1984, except as provided in subsection 5, the current reimbursement rates for purchase of service providers may be increased by not more than three percent of the reimbursement rates authorized on July 1, 1983.

5. For the fiscal year beginning July 1, 1984, the current reimbursement rates for local purchase of service providers which receive reimbursement from federal social services block grant funds and state funds supplementing those federal funds, may be increased by not more than three and one-half percent of the reimbursement rates authorized on July 1, 1983.

6. The board of pharmacy examiners shall rescind its rules, adopted pursuant to 1982 Iowa Acts, chapter 1260, section 96, relating to the reduction of charges to the medical assistance program.

7. The department of human services and the state department of health shall study jointly the feasibility and costs of establishing by administrative rule, within the intermediate care facility category in chapter 135C, a special classification for facilities intended to provide specialized rehabilitative services to brain-injured individuals. The study shall include an examination of reimbursement methodologies for such facilities under the medical assistance program. The departments shall complete the study and report the findings of the study and any recommendations to the general assembly by January 15, 1985.

Sec. 6. INVOLUNTARY TRANSFERS. If a skilled nursing facility or an intermediate care facility receives payments under Title XIX of the federal Social Security Act for one

or more patients in the facility, the facility shall not involuntarily transfer any patient to another facility if that patient had previously been receiving medical assistance under chapter 249A for care in the facility and has been disqualified for that medical assistance because of an increase in income, but agrees to pay all of the patient's income and resources not exempt under guidelines in Title XIX of the federal Social Security Act for continued care in the facility and that payment equals or exceeds the medical assistance reimbursement rate for the particular facility.

Sec. 7. TRANSFERS. Except as provided in section 3, subsection 4 of this Act, funds appropriated under section 3, subsections 1, 2, 8, and 10 of this Act, shall not be transferred or used for any other purposes than specified in those subsections, notwithstanding section 8.39. However, funds appropriated under section 3, subsections 1, 2, 8, and 10 of this Act may be transferred under section 8.39 among those subsections and may be used for the purposes specified in those subsections.

Sec. 8. ADDITIONAL STAFF. Notwithstanding the limitations on full-time equivalent positions in section 1, section 2, and section 3, subsections 4 and 11 of this Act, the department of human services may add staff above the limitations if the department receives additional federal funding not originally anticipated and budgeted.

Sec. 9. SUPPLEMENTAL SECURITY INCOME REIMBURSEMENTS TO COUNTIES. The commissioner of human services may enter into an agreement with the federal social security administration to secure reimbursements to counties contacting with the department for assistance paid in the form of county general relief during an interim period prior to a determination of eligibility for federal supplemental security income payments. If a reimbursement dispute arises between a county and the federal social security administration, the county shall pay for an independent audit. If the federal social security

administration establishes a claim against a county and withholds funds from the state or directs the department to pay the claim to a recipient of federal supplemental security income, the department shall set off against other funds due the county from the department the amount of the claim.

Sec. 10. RULES. The department of human services shall adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", relating to transportation and participation allowances under the work incentive demonstration program in section 3, subsection 1, paragraph "b" of this Act, the medically needy program in section 3, subsection 2 of this Act and reimbursements under the medical assistance program in section 5, subsection 1 of this Act, and the 'Eldora campus of the state training school in section 3, subsection 11 of this Act and may adopt administrative rules under section 17A.4, subsection 2 and section 17A.5, subsection 2, paragraph "b", relating to the schedule of living costs under the aid to families with dependent children program in section 3, subsection 1, paragraph "a" of this Act, prior authorization for certain prescription drugs, reimbursements for certain over-the-counter drugs, a drug utilization review program, and the federal waiver proposal for a program of home and community-based services under the medical assistance program in section 3, subsection 2 of this Act, reimbursements in section 5, subsections 2 through 5 of this Act, income guidelines for and child day care services allocations of state funds supplementing federal social services block grant funds in section 4 of this Act, and supplemental security income reimbursements to counties in section 9 of this Act, and the rules shall become effective immediately upon filing, unless a later effective date is specified in the rules.

Sec. 11. FOSTER CARE REVIEW BOARD. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the

foster care review board, the following amount, or so much thereof as is necessary:

1984-1985
Fiscal Year

For salaries, support, maintenance, and miscellaneous purposes \$ 70,000

Sec. 12. FEDERAL FUNDS. All federal grants to and the federal receipts of the department of human services and the foster care review board are appropriated for the purposes set forth in the federal grants or receipts.

Sec. 13. CAPITAL IMPROVEMENTS EXCLUDED. Funds appropriated by this Act shall not be used for capital improvements.

CHARLES P. MILLER
President Pro Tempore of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2351, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. ERANSTAD
Governor

S.F. 2351



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319

515 281-5211

May 18, 1984



The Honorable Mary Jane Odell
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit Senate File 2351, an act relating to the administration and financing of current programs other than mental health programs under the jurisdiction of the department of human services and to the foster care review board for the fiscal year beginning July 1, 1984, and ending June 30, 1985.

Senate File 2351 is approved May 18, 1984, with the following exception which I hereby disapprove.

I am unable to approve of the item designated as Section 3, subsection 11, unnumbered paragraph, which reads as follows:

The department shall close a living unit at the training school for juvenile delinquents at Eldora and shall periodically notify the chief judges of the judicial districts and the chairpersons and ranking members of the social services appropriations subcommittee of the number of resident inmates at the Eldora campus when that number equals or approaches one hundred eighty. Notwithstanding the entering of orders for placement at the Eldora campus of the state training school pursuant to section 232.52, subsection 2, paragraph "e", on and after the date of the closing of the living unit at the Eldora campus the department shall not admit any juvenile to the Eldora campus unless the Eldora campus has less than one hundred eighty resident inmates at the time of admission. The department shall place the names of those juveniles, who

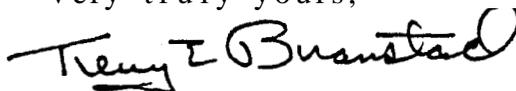
The Honorable Mary Jane Odell
May 18, 1984
Page 2

are subject to orders **for** placement at the Eldora campus of the state training school **but** cannot be admitted upon the entering of the orders, on a waiting list. The department shall establish priority admission policies for those juveniles on the waiting list and shall notify the courts ordering placement of the tentative admission dates for the juveniles.

The State Training School is currently the only secure setting for Iowa's worst juvenile offenders. **Those** who are sent to Eldora have usually committed several delinquent acts. Juvenile Court judges have ordered them to be taken from their home communities for a reason. To cap the population at 180 and create a waiting list could constitute a danger to the public safety of our citizens.

For the above reason, I hereby respectfully disapprove of this item in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items **of** Senate File 2351 are hereby approved as **of** this date.

Very truly yours,



Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the **House**

SENATE FILE 2352

AN ACT

APPROPRIATING FEDERAL FUNDS MADE AVAILABLE FROM FEDERAL BLOCK GRANTS, ALLOCATING PORTIONS OF FEDERAL BLOCK GRANTS, AND PROVIDING PROCEDURES IF FEDERAL FUNDS ARE MORE OR LESS THAN ANTICIPATED OR IF FEDERAL BLOCK GRANTS ARE MORE OR LESS THAN ANTICIPATED OR IF CATEGORICAL GRANTS ARE CONSOLIDATED INTO NEW OR EXISTING BLOCK GRANTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

Section 1. ALCOHOL AND DRUG ABUSE AND MENTAL HEALTH SERVICES APPROPRIATION.

1. There is appropriated from the fund created by section 8.41 to the department of substance abuse, two million two hundred ninety-two thousand (2,292,000) dollars for the federal fiscal year beginning October 1, 1984, and ending September 30, 1985. The funds appropriated by this section are the anticipated funds to be received from the federal government for federal fiscal year 1985 under Pub. L. No. 97-35, Title IX, Subtitle A, as amended, which provides for the alcohol and drug abuse and mental health services block grant. The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. An amount not exceeding two hundred seventeen thousand (217,000) dollars of the funds appropriated in subsection 1 shall be used by the department of substance abuse for administrative expenses. From the funds set aside by this subsection for administrative expenses, the department of substance abuse shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the department of substance abuse for the costs of the audit.

3. Eight and seventy-five hundredths percent of the funds appropriated in Subsection 1 shall be transferred to the division of mental health, mental retardation, and developmental disabilities within the department of human services and allocated for community health centers.

4. After deducting the funds allocated in subsections 2 and 3, the remaining funds appropriated in subsection 1 shall be allocated according to the following percentages to supplement appropriations for the following programs within the department of substance abuse:

- a. Drug abuse programs 38.89 percent
- b. Alcohol abuse programs 38.89 percent
- c. Alcohol and drug prevention programs ... 22.22 percent

It is the intent of the general assembly that the department of substance abuse expend not more than two million three hundred ninety-eight thousand (2,398,000) dollars during the state fiscal year beginning July 1, 1984 and ending June 30, 1985 from funds created by section 8.41 during the state fiscal year beginning July 1, 1984 and ending June 30, 1985.

Sec. 2. MATERNAL AND CHILD HEALTH SERVICES APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the state department of health, the sum of four million five hundred fifty-eight thousand one hundred seventy-six (4,558,176) dollars for the federal fiscal year beginning October 1, 1984, and ending September 30, 1985. The funds appropriated by this section are the funds anticipated to be received from the federal government for federal fiscal year 1985 under Pub. L. No. 97-35, Title XXI, Subtitle D, as amended, which provides for the maternal and child health services block grant. The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. Sixty-three percent of the funds appropriated in subsection 1 shall be allocated to supplement appropriations for maternal and child health programs within the personal

and family health division of the state department of health. Of these funds, forty-five thousand seven hundred seventy-two (45,772) dollars shall be set aside for sudden infant death syndrome, twenty-five thousand (25,000) dollars shall be set aside for the institution of a lead poisoning prevention program, and one hundred ninety-nine thousand forty-eight (199,048) dollars shall be set aside for the statewide perinatal care program.

Thirty-seven percent of the funds appropriated in subsection 1 shall be transferred to the university of Iowa hospitals and clinics under the control of the state board of regents for regional and mobile child health specialty clinics.

3. An amount not exceeding one hundred twenty-two thousand thirty (122,030) dollars of the funds allocated in subsection 2 to the state department of health shall be used by the state department of health for administrative expenses. From the funds set aside by this subsection for administrative expenses, the state department of health shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state department of health's portion of the funds allocated in subsection 2. The auditor of state shall bill the state department of health for the costs of the audit.

It is the intent of the general assembly that the departments of health, human services, and public instruction and the university of Iowa's regional and mobile child health specialty clinics continue to pursue to the maximum extent feasible the coordination and integration of services to women and children in selected pilot areas. It is expected that these agencies prepare a progress report for the general assembly indicating objectives accomplished and barriers encountered in the pursuit of these integration efforts.

Sec. 3. TRANSFER OF FUNDS. Those federal maternal and child health services block grant funds transferred from the federal preventive health and health services block grant funds under section 4, subsection 4 of this Act for the federal

fiscal year beginning October 1, 1984, and ending September 30, 1985, are transferred to the division of personal and family health for maternal and child health programs and to the university of Iowa's regional and mobile child health specialty clinics according to the percentages specified in section 2, subsection 2 of this Act.

Sec. 4. PREVENTIVE HEALTH AND HEALTH SERVICES APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the state department of health, one million twenty-five thousand one hundred sixty (1,025,160) dollars for the federal fiscal year beginning October 1, 1984, and ending September 30, 1985. The funds appropriated by this section are the anticipated funds to be received from the federal government for federal fiscal year 1985 under Pub. L. No. 97-35, Title IX, Subtitle A, as amended, which provides for the preventive health and health services block grant. The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. An amount not exceeding ninety-eight thousand seven hundred seventeen (98,717) dollars of the funds appropriated in subsection 1 shall be used by the state department of health for administrative expenses. From the funds set aside by this subsection for administrative expenses, the state department of health shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the state department of health for the costs of the audit.

3. Of the funds appropriated in subsection 1, the specific amount of funds required by Pub. L. No. 97-35, Title IX, Subtitle A, as amended, shall be allocated to the rape prevention program.

4. Pursuant to Pub. L. No. 97-35, Title IX, Subtitle A, as amended, seven percent of the funds appropriated in

subsection 1 is transferred within the special fund in the state treasury established under section 8.41, for use by the state department of health as authorized by Pub. L. No. 97-35, Title XXI, Subtitle D, as amended, and section 3 of this Act.

5. After deducting the funds allocated and transferred in subsections 2, 3, and 4, the remaining funds appropriated in subsection 1 shall be allocated according to the following percentages to supplement appropriations for the following programs within the following divisions of the state department of health:

a. Disease prevention division for hypertension grants	15.2 percent
b. Disease prevention division for risk reduction services	21.0 percent
c. Community health division and disease prevention division for health incentive grants	17.9 percent
d. Community health division for emergency medical services	30.0 percent
e. Personal and family health division for fluoridation grants	15.9 percent

DIVISION II

Sec. 5. COMMUNITY SERVICES APPROPRIATIONS.

1. a. There is appropriated from the special fund created in section 8.41 to the office for planning and programming, the sum of three million six hundred twenty-three thousand seventy-one (3,623,071)dollars for the federal fiscal year beginning October 1, 1984 and ending September 30, 1985. The funds appropriated by this paragraph are the anticipated funds to be received from the federal government for the federal fiscal year 1985 under Pub. L. No. 97-35, Title VI, Subtitle B, as amended, which provides for the community services block grant. The office for planning and programming shall expend the funds appropriated by this paragraph as provided in the federal law and in conformance with chapter 17A.

b. The director of the office for planning and programming shall allocate not less than ninety percent of the amount of the block grant based upon the size of the poverty level population in the community action area compared to the size of the poverty level population in the state. The director of the office for planning and programming after consultation with community action agencies shall allocate an amount not exceeding five percent of the amount of financial assistance based upon other measures of need in each community action area.

2. An amount not exceeding one hundred eighty-one thousand one hundred fifty-three (181,153) dollars of the funds appropriated in subsection 1 shall be used by the office for planning and programming for administrative expenses. From the funds authorized under this subsection for administrative expenses, the office for planning and programming shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the office for planning and programming for the costs of the audit.

Sec. 6. COMMUNITY DEVELOPMENT APPROPRIATIONS.

1. There is appropriated from the special fund created in section 8.41 to the office for planning and programming, the sum of twenty-four million seven hundred seventy-five thousand (24,775,000) dollars for the federal fiscal year beginning October 1, 1984 and ending September 30, 1985. The funds appropriated by this section are the anticipated funds to be received from the federal government under Pub. L. No. 97-35, Title III, Subtitle A, as amended, which provides for the community development block grant. The office for planning and programming shall expend the funds appropriated by this paragraph as provided in the federal law and in conformance with chapter 17A.

2. An amount not exceeding nine hundred ninety-one thousand (991,000) dollars shall be used by the office for planning

and programming for administrative expenses. The total amount used for administrative expenses includes four hundred ninety-five thousand five hundred (495,500) dollars of funds appropriated in subsection 1 and a matching contribution from the state equal to four hundred ninety-five thousand five hundred (495,500) dollars from the appropriation of state funds for the community development block grant and state appropriations for related activities of the office for planning and programming. The total administrative expenses at the state level, from both federal and state sources, shall not exceed four percent of the amount appropriated in subsection 1. From the funds authorized for administrative expenses by this subsection, the office for planning and programming shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the office for planning and programming for the costs of the audit.

DIVISION III

Sec. 7. EDUCATION APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the department of public instruction for the federal fiscal year beginning July 1, 1984 and ending June 30, 1985, the amount received from Pub. L. No. 97-35, Title V, Subtitle D, chapter 2, as amended, which provides for the education block grant not to exceed five million four hundred thousand (5,400,000) dollars. The department shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. Twenty percent of the funds appropriated in subsection 1, not to exceed one million eighty thousand (1,080,000) dollars, shall be used by the department for basic skills development, state leadership and support services, educational improvement and support services, special projects, and state administrative expenses and auditing. However, not more than

two hundred twenty-five thousand (225,000) dollars shall be used by the department for state administrative expenses.

3. Eighty percent of the funds appropriated in subsection 1 shall be allocated by the department to local educational agencies in this state, as local educational agency is defined in Pub. L. No. 97-35, Title V, Subtitle D, as amended. The amount allocated under this subsection shall be allocated to local educational agencies according to the following percentages and enrollments:

a. Seventy-five percent shall be allocated on the basis of enrollments in public and approved nonpublic schools.

b. Twenty percent shall be allocated on the basis of the number of disadvantaged children in local educational agencies whose incidence ratio for disadvantaged children is above the state average incidence ratio.

c. Five percent shall be allocated on the basis of the number of limited English speaking children whose language imposes a barrier to learning.

Sec. 8. Funds appropriated in section 7 of this Act shall not be used to aid schools or programs that illegally discriminate in employment or educational programs on the basis of sex, race, color, national origin, or disability.

DIVISION IV

Sec. 9. LOW-INCOME HOME ENERGY ASSISTANCE APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the energy policy council. the sum of thirty-six million seven hundred nineteen thousand eight hundred (36,719,800) dollars for the federal fiscal year beginning October 1, 1984 and ending September 30, 1985. The funds appropriated by this section are the funds anticipated to be received from the federal government for the federal fiscal year 1985 under Pub. L. No. 97-35, Title XXVI, as amended, which provides for the low-income home energy assistance block grant. The energy policy council shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. An amount not exceeding two million eight hundred ninety-two thousand (2,892,000) dollars or nine percent of the funds appropriated in subsection 1, whichever is less, may be used for administrative expenses, not more than two hundred ninety thousand (290,000) dollars of which shall be used for administrative expenses of the energy policy council. From the total funds set aside by this subsection for administrative expenses, an amount sufficient to pay the cost of an audit of the use and administration of the state's portion of the funds appropriated is allocated for that purpose. The auditor shall bill the energy policy council for the costs of the audit.

3. The remaining funds appropriated in this section shall be allocated to help eligible households, as defined in accordance with Pub. L. No. 97-35, as amended, to meet the costs of home energy. After reserving a reasonable portion of the funds not to exceed one million dollars to carry forward into the federal fiscal year beginning October 1, 1985, at least ten percent and not more than fifteen percent of the funds appropriated by this section shall be used for low-income residential weatherization or other related home repairs for low-income households. The funds transferred to low-income weatherization shall include money for administrative expenses.

Sec. 10. SOCIAL SERVICES APPROPRIATIONS.

1. There is appropriated from the fund created by section 8.41 to the department of human services, thirty-three million nine hundred forty-four thousand four hundred ninety-one (33,944,491) dollars for the federal fiscal year beginning October 1, 1984 and ending September 30, 1985. Funds appropriated by this section are the funds anticipated to be received from the federal government for the federal fiscal year 1985 under Pub. L. No. 97-35, Title XXIII, Subtitle C, as codified in 42 U.S.C. secs. 1397-1397f, which provides for the social services block grant. The department of human services shall expend the funds appropriated by this section as provided in the federal law making the funds available and in conformance with chapter 17A.

2. Not more than one million nine hundred forty-two thousand seven hundred eight (1,942,708) dollars of the funds appropriated in subsection 1 shall be used by the department of human services for general administration for the federal fiscal year beginning October 1, 1984 and ending September 30, 1985. From the funds set aside by this subsection for general administration, the department of human services shall pay to the auditor of state an amount sufficient to pay the cost of auditing the use and administration of the state's portion of the funds appropriated in subsection 1. The auditor of state shall bill the department of human services for the costs of the audit.

3. In addition to the allocation for general administration in subsection 2, the remaining funds appropriated in subsection 1 shall be allocated to supplement appropriations for the federal fiscal year beginning October 1, 1984 and ending September 30, 1985 for the following programs within the department of human services:

	1984-1985 Federal <u>Fiscal Year</u>
a. Field operations	\$13,563,326
b. Home-based services	\$ 155,791
c. Foster care	\$ 4,935,799
d. Protective day care	\$ 790,479
e. Purchase of local services	\$11,189,103
f. county administration	\$ 1,232,321
g. Volunteers	\$ 134,964

4. The social services block grant state advisory committee, formerly known as the Title XX state advisory committee, and the social services block grant district advisory committees, formerly known as the Title XX district advisory committees, shall continue to advise the department of policy matters with respect to the social services block grant funds allocated by the federal government to this state through June 30, 1985.

Sec. 11. SOCIAL SERVICES BLOCK GRANT PLAN. The department of human services shall develop a plan for the use of federal social services block grant funds for the state fiscal year beginning July 1, 1985 and ending June 30, 1986.

The proposed plan shall include all programs and services at the state level which the department proposes to fund with federal social services block grant funds, and shall identify state and other funds which the department proposes to use to fund the state programs and services.

The proposed plan shall also include all local programs and services which are eligible to be funded with federal social services block grant funds, the total amount of federal social services block grant funds available for the local programs and services, and the manner of distribution of the federal social services block grant funds to the counties. The proposed plan shall identify state and local funds which will be used to fund the local programs and services.

The proposed plan shall be submitted with the department's budget requests to the governor and the general assembly.

DIVISION VI

Sec. 12. PROCEDURE FOR REDUCED FEDERAL FUNDS.

1. Except for section 7 of this Act, if the funds received from the federal government for the block grants specified in this Act are less than the amounts appropriated, the funds actually received shall be prorated by the governor for the various programs, other than for the rape prevention program under section 4, subsection 3 of this Act, for which each block grant is available according to the percentages that each program is to receive as specified in this Act. However, if the governor determines that the funds allocated by the percentages will not be sufficient to effect the purposes of a particular program, or if the appropriation is not allocated by percentage, the governor may allocate the funds in a manner which will effect to the greatest extent possible the purposes of the various programs for which the block grants are available.

2. Before the governor implements the actions provided for in subsection 1, the following procedures shall be taken:

a. The chairpersons and ranking members of the standing committees of the senate and house on appropriations, the director of the legislative fiscal bureau, and the appropriate chairpersons and ranking members of subcommittees of the committees on appropriations shall be notified of the proposed action.

b. The notice shall include the proposed allocations, and information on the reasons why particular percentages or amounts of funds are allocated to the individual programs, the departments and programs affected, and other information deemed useful. Chairpersons notified shall be allowed at least two weeks to review and comment on the proposed action before the action is taken.

Sec. 13. PROCEDURE FOR INCREASED FEDERAL FUNDS.

1. If funds received from the federal government in the form of block grants exceed the amounts appropriated in sections 2, 4, and 7, subsection 3, of this Act, the excess shall be prorated to the appropriate programs according to the percentages specified in those sections, except additional funds shall not be prorated for administrative expenses.

2. If funds received from the federal government in the form of block grants exceed the amounts appropriated in sections 1, 5, 6 and section 7, subsection 2 of this Act, the excess shall be deposited in the special fund created in section 8.42 and is subject to appropriation by the general assembly.

3. If funds received from the federal government from block grants exceed the amounts appropriated in section 9 of this Act, at least twelve and one-half percent and not more than fifteen percent of the excess shall be allocated to the low-income weatherization program.

4. If funds received from the federal government from the social services block grant exceed the amount appropriated in section 10 of this Act, the excess shall be allocated for

the purchase of local services and the department of human services may waive the requirement of local matching funds.

Sec. 14. PROCEDURE FOR CONSOLIDATED, CATEGORICAL, OR EXPANDED FEDERAL BLOCK GRANTS. Notwithstanding section 8.41, federal funds made available to the state which are authorized for the federal fiscal year beginning October 1, 1984 resulting from the federal government consolidating former categorical grants into block grants, or which expand block grants included in Pub. L. No. 97-35, as amended, to include additional programs formerly funded by categorical grants, which are not otherwise appropriated by the general assembly, are appropriated for the programs formerly receiving the categorical grants, subject to the conditions of this section. The governor shall, whenever possible, allocate from the block grant to each program in the same proportion as the amount of federal funds received by the program during the 1984 federal fiscal year as modified by the 1984 Session of the Seventieth General Assembly for the fiscal year beginning July 1, 1984 compared to the total federal funds received in the 1984 federal fiscal year by all programs consolidated into the block grant. However, if one agency did not have categorical funds appropriated for the federal fiscal year ending September 30, 1984 but had anticipated applying for funds during the fiscal year ending September 30, 1985, the governor may allocate the funds in order to provide funding.

If the amount received in the form of a consolidated or expanded block grant is less than the total amount of federal funds received for the programs in the form of categorical grants for the 1984 federal fiscal year, state funds appropriated to the program by the general assembly to match the federal funds shall be reduced by the same proportion of the reduction in federal funds for the program. State funds released by the reduction shall be deposited in a special fund in the state treasury and are available for appropriation by the general assembly. The governor shall notify the chairpersons and ranking members of the senate and house

standing committees on appropriations, the legislative fiscal director, and the appropriate chairpersons and ranking members of the subcommittees of those committees before making the allocation of federal funds or any proportional reduction of state funds under this section. The notice shall state the amount of federal funds to be allocated to each program, the amount of federal funds received by the program during the 1984 federal fiscal year, the amount by which state funds for the program will be reduced according to this section and the amount of state funds received by the program during the 1984 fiscal year. Chairpersons notified shall be allowed at least two weeks to review and comment on the proposed action before the action is taken.

If the amount received in the form of a consolidated or expanded block grant is more than the total amount of federal funds received for the programs in the form of categorical grants for the 1984 federal fiscal year, the excess funds shall be deposited in the special fund created in section 8.41 and are subject to the provisions of that section.

Sec. 15. PROCEDURE FOR FUTURE FEDERAL ACTIONS.

1. If federal block grant funding is increased or decreased for the federal fiscal year following the year for which the block grants are appropriated by this Act, the actions prescribed in sections 12 and 13 of this Act shall be modified by the governor as allowed by federal law in order that a consistent plan will be available for the affected state fiscal years.

2. Before the governor implements the actions provided for in subsection 1, the following procedures shall be taken:

a. The chairpersons and ranking members of the senate and house standing committees on appropriations, the appropriate chairpersons and ranking members of subcommittees of those committees, and the director of the legislative fiscal bureau shall be notified of the proposed action.

b. The notice shall include the proposed allocations, information on the reasons why particular percentages or

amounts of funds are allocated to the individual programs, the departments and programs affected, and other information deemed useful. Chairpersons notified shall be allowed at least two weeks to review and comment on the proposed action before the action is taken.

Sec. 16. 1983 Iowa Acts, chapter 194, section 5, subsection 2, is amended to read as follows:

2. Sixty-three percent of the funds appropriated in subsection 1 shall be allocated to supplement appropriations for maternal and child health programs within the personal and family health division of the state department of health. Thirty-seven percent of the funds appropriated in subsection 1 shall be transferred to the university of Iowa hospitals and clinics under the control of the state board of regents for regional and mobile child health speciality clinics. The personal and family health division of the state department of health and the regional and mobile child health specialty clinics at the university of Iowa hospitals and clinics under the council of the state board of regents shall jointly develop and implement a plan for the expenditure of these funds in accordance with this subsection. These funds shall be targeted, to the extent possible, to areas of high unemployment and to disadvantaged families who lack adequate third party reimbursement to pay for care. Any unencumbered funds allocated to the state department of health under this subsection shall be transferred August 1, 1984 to the university of Iowa hospitals and clinics under the control of the state board of regents for regional and mobile child health specialty clinics.

Sec. 17. 1983 Iowa Acts, chapter 194, section 11, subsection 2, is amended to read as follows:

2. An amount not exceeding two million seven hundred ~~fifty~~ eighty-eight thousand (2,750,000) (2,788,000) dollars or nine percent of the funds appropriated in subsection 1, whichever is less, may be used for administrative expenses not more than two hundred eighty thousand (280,000) dollars of which

shall be **used** for administrative expenses of the energy policy council. From the total funds set aside by this subsection for administrative expenses, an amount sufficient to pay the cost of an audit of the use and administration of the state's portion of the funds appropriated is allocated for that purpose. The auditor shall bill the energy policy council for the costs of the audit.

CHARLES P. MILLER

President Pro Tempore of the
Senate

DONALD D. AVENSON

Speaker of the House

I hereby certify that this bill originated in the senate and is known as Senate File 2352, Seventieth General Assembly.

K. MARIE THAYER

Secretary of the Senate

Approved _____, 1984

TERRY E. DRANSTAD

Governor

SENATE FILE 2353

AN ACT

RELATING TO THE FUNDING OF AND TO SUBSTANCE ABUSE TREATMENT AND PREVENTION PROGRAMS BY MAKING APPROPRIATIONS TO THE DEPARTMENT OF SUBSTANCE ABUSE FOR ~~THE~~ FISCAL YEAR BEGINNING JULY 1, 1984 AND ENDING JUNE 30, 1985 FOR ADMINISTRATION, PROGRAM GRANTS, TREATMENT PROGRAMS NOT LICENSED BY THE DEPARTMENT, AND PREVENTION PROGRAMS, REQUIRING THE TREASURER OF STATE TO DEPOSIT CERTAIN AMOUNTS OF THE SALES MADE BY THE STATE LIQUOR STORES IN A SPECIAL FUND, REQUIRING THE BEER AND LIQUOR CONTROL COUNCIL TO ADJUST THE SALES MARGIN ON LIQUOR AUGUST 1, 1984 TO RAISE CERTAIN REVENUE, REQUIRING THE STATE TO INCUR ONE HUNDRED PERCENT OF THE COST OF SUBSTANCE ABUSE TREATMENT AT CERTAIN PROGRAMS FOR THE FISCAL YEAR BEGINNING JULY 1, 1984 AND ENDING JUNE 30, 1985, CREDITING CERTAIN FEES TO THE BEER AND LIQUOR CONTROL FUND, REQUIRING THE DEPARTMENT OF SUBSTANCE ABUSE TO DISTRIBUTE PROGRAM GRANT FUNDING BY A CERTAIN FORMULA, REQUIRING AN ASSESSMENT OF A PATIENT BEFORE ADMITTANCE TO A STATE MENTAL HEALTH INSTITUTE FOR SUBSTANCE ABUSE TREATMENT, PROHIBITING COUNTIES FROM CERTIFYING A SUPPLEMENTAL LEVY FOR CERTAIN SUBSTANCE ABUSE TREATMENT FACILITIES, REQUIRING THE COUNTY AUDITOR TO RECOMPUTE THE LEVY RATES TO REDUCE THE AMOUNT BUDGETED FOR CERTAIN SUBSTANCE ABUSE TREATMENT PROGRAMS IN THE FISCAL YEAR BEGINNING JULY 1, 1984 AND ENDING JUNE 30, 1985, AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. The treasurer of state shall transfer into a special revenue account in the general fund of the state, a sum of money equal to seven percent of the gross amount

of sales made by the state liquor stores in the cities of the state from the beer and liquor control fund on a monthly basis, and any amounts so transferred shall be used by the department of substance abuse for substance abuse treatment and prevention programs in an amount determined by the general assembly and any amounts received in excess of the amounts appropriated to the department of substance abuse shall be considered part of the general fund balance and in addition to the regular-sales margin which is included in the sale price of liquor as established by the Iowa beer and liquor control council pursuant to section 123.21, subsection 6, and including the provisions in section 123.53, subsections 3 and 7, the council shall adjust the sales margin of liquor on August 1, 1984 in an amount sufficient to raise funds in an amount equal to the difference between the amount appropriated to the department of substance abuse from the general fund of the state for the 1983-1984 fiscal year and the amount appropriated to the department for the 1984-1985 fiscal year and notwithstanding sections 125.25, subsection 2, 125.44, unnumbered paragraphs 1, 3, and 4, 125.45 to 125.47, 125.49 to 125.54, 125.57, 331.401, subsection 1, paragraph "c", 331.508, subsection 3, 331.552, subsection 10 as amended to be effective July 1, 1984 under 1983 Iowa Acts, chapter 185, sections 31, 32, and 62, and 331.756, subsection 26. Code 1983 and Code Supplement 1983, the state shall incur one hundred percent of the cost of substance abuse treatment at programs licensed by the department of substance abuse according to section 125.44 in the fiscal year beginning July 1, 1984 and ending June 30, 1985 and there is appropriated from the general fund of the state to the department of substance abuse for the fiscal year beginning July 1, 1984, and ending June 30, 1985 the following amounts, or so much thereof as is necessary, four hundred sixty-nine thousand nine hundred fifty-seven (469,957) dollars for salaries and

support of not more than nineteen and one-tenth full-time equivalent positions annually, maintenance, and miscellaneous purposes and seven million one hundred fifty thousand nine hundred fifty-eight (7,150,958) dollars for program grants.

Sec. 2. The treasurer of state shall, on July 1, 1984 for the fiscal year beginning July 1, 1984 and ending June 30, 1985, transfer three hundred sixty thousand (360,000) dollars from the beer and liquor control fund to the department of substance abuse.

1. ~~Of~~ these funds, notwithstanding section 125.13, subsection 1, one hundred fifty thousand (150,000) dollars shall be used for grants to counties operating a substance abuse program involving only education, prevention, referral or post treatment services, either with the counties' own employees or by contract with a nonprofit corporation. The grants shall not annually exceed ten thousand dollars to any one county, subject to the following conditions:

a. The money shall be paid to the county after expenditure by the county and submission of the requirements in paragraph "b" on the basis of one dollar for each three dollars spent by the county. The county may submit a quarterly claim for reimbursement.

b. The county shall submit an accounting of the expenditures and shall submit an annual financial report, a description of the program, and the results obtained before June 10, 1985.

2. Two hundred ten thousand (210,000) dollars of the funds shall be used for prevention programs in addition to the amount budgeted for prevention programs by the department of substance abuse under the appropriation in section 1 of this Act.

Sec. 3. The funding distributed by the department of substance abuse for program grants pursuant to section 1 of this Act shall be distributed by a formula based on popula-

tion, need, and other criteria as determined by the department in each county or multicounty area.

Sec. 4. Except in cases of medical emergency or court ordered admissions, a person shall be admitted to a state mental health institute for substance abuse treatment only after a preliminary intake and assessment by an Iowa department of substance abuse licensed treatment facility has confirmed that the admission is appropriate to the person's substance abuse service needs. A county board of supervisors may admit a patient to a state mental health institute who has not been confirmed for appropriate admission and the county shall be responsible for one hundred percent of the cost of treatment and services of the patient.

Sec. 5: Before property taxpayers are notified of taxes due during the fiscal year beginning July 1, 1984 and ending June 30, 1985, each county auditor shall recalculate the county levy by subtracting the amount budgeted for the same fiscal year for substance abuse treatment in facilities provided under chapter 125 from the computed amount in dollars certified by the county under section 444.2. If the taxpayers have already been so notified, the county auditor shall re-notify the taxpayer of the reduced property tax amount or the county treasurer shall reduce the tax by such amount or refund to the taxpayer such amount when the property tax is paid. Any penalty shall be applied only to the recalculated property tax amount.

Sec. 6. Section 123.36, subsection 8, Code Supplement 1983, is amended to read as follows:

8. The department shall credit all fees to the beer and liquor control fund. The department shall remit to the appropriate local authority, a sum equal to sixty-five percent of the fees collected for each class "A", class "B", or class "C" license except special class "C" licenses, covering premises located within the local authority's jurisdiction.

The department shall remit to the appropriate local authority a sum equal to seventy-five percent of the fees collected for each special class "C" license covering premises located within the local authority's jurisdiction. ~~The appropriate local authority to receive the fee collected for the privilege authorized under subsection 6 is the appropriate county which shall use it only for the care and treatment of persons admitted or committed to the alcoholic treatment center at Oakdale or any facilities as provided in chapter 125.~~ Those fees collected for the privilege authorized under subsection 6 shall be credited to the beer and liquor control fund.

Sec. 7. Section 123.143, subsection 1, Code Supplement 1983, is amended to read as follows:

1. All retail beer permit fees collected by any local authority at the time application for the permit is made shall be retained by the local authority. A certified copy of the receipt for the permit fee shall be submitted to the department with the application and the local authority shall be notified at the time the permit is issued. ~~Those amounts retained by the appropriate local authority out of the fee~~ collected for the privilege authorized under section 123.134, subsection 5, shall be ~~used only for the care and treatment of persons admitted or committed to the alcoholic treatment center at Oakdale or any facilities as provided in chapter 125~~ deposited in the beer and liquor control fund.

Sec. 8. Section 331.424, subsection 1, paragraph a, subparagraph (4), Code Supplement 1983, is amended to read as follows:

(4) Care and treatment of persons at the alcoholic treatment center at Oakdale ~~or facilities provided under chapter 125.~~ However, the county may require that an admission to a the center ~~or other facility~~ shall be reported to the board by the center ~~or facility~~ within five days as a condition of the payment of county funds for that admission.

Sec. 9. This Act, being deemed of immediate importance, takes effect from and after its publication in The Belle Plaine Union, a newspaper published in Belle Plaine, Iowa, and in The Sioux City Journal, a newspaper published in Sioux City, Iowa.

CHARLES P. MILLER
President Pro Tempore of the
Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2353, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

May 15, 1984



The Honorable Mary Jane Odell
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit Senate File 2353, an act relating to the funding of and to substance abuse treatment and prevention programs by making appropriations to the Department of Substance Abuse for the fiscal year beginning July 1, 1984 and ending June 30, 1985, for administration, program grants, treatment programs not licensed by the department, and prevention programs, requiring the Treasurer of State to deposit certain amounts of the sales made by the state liquor stores in a special fund, requiring the Beer and Liquor Control Council to adjust the sales margin on liquor August 1, 1984 to raise certain revenue, requiring the state to incur one hundred percent of the cost of substance abuse treatment at certain programs for the fiscal year beginning July 1, 1984 and ending June 30, 1985, crediting certain fees to the Beer and Liquor Control Fund, requiring the Department of Substance Abuse to distribute program grant funding by a certain formula, requiring an assessment of a patient before admittance to a state mental health institute for substance abuse treatment, prohibiting counties from certifying a supplemental levy for certain substance abuse treatment facilities, requiring the county auditor to recompute the levy rates to reduce the amount budgeted for certain substance abuse treatment programs in the fiscal year beginning July 1, 1984 and ending June 30, 1985, and providing an effective date.

Senate File 2353 is approved May 15, 1984, with the following exceptions which I hereby disapprove.

The Honorable Mary Jane Odell
May 15, 1984
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I am unable to approve that portion of Section 1 which reads as follows:

and in addition to the regular sales margin which is included in the sale price of liquor as established by the Iowa beer and liquor control council pursuant to section 123.21, subsection 6, and including the provisions in section 123.53, subsections 3 and 7, the council shall adjust the sales margin of liquor on August 1, 1984 in an amount sufficient to raise funds in an amount equal to the difference between the amount appropriated to the department of substance abuse from the general fund of the state for the 1983-1984 fiscal year and the amount appropriated to the department for the 1984-1985 fiscal year

This provision of Section 1 is not a condition of the appropriation and is unnecessary in light of the fact that the Iowa Beer and Liquor Control Council has the power to raise liquor prices pursuant to Section 123.16(2)(c) as it deems necessary,

I am unable to approve Section 5, which reads as follows:

• See. 5. Before property taxpayers are notified of taxes due during the fiscal year beginning July 1, 1984 and ending June 30, 1985, each county auditor shall recalculate the county levy by subtracting the amount budgeted for the same fiscal year for substance abuse treatment in facilities provided under chapter 125 from the computed amount in dollars certified by the county under section 444.2. If the taxpayers have already been so notified, the county auditor shall renotify the taxpayer of the reduced property tax amount or the county treasurer shall reduce the tax by such amount or refund to the taxpayer such amount when the property tax is paid. Any penalty shall be applied only to the recalculated property tax amount.

The administrative burden created for county government as a result of this section could negate any intended benefits to the property taxpayers.

Under the local budget law, the various political subdivisions are required to certify their budgets no later than March 15 of each year. This involves the publishing of a budget, holding public hearings on the budget and certifying their tax rate, at which time the county auditor prepares a summary of each budget, showing the condition of the various funds for the fiscal year, including the adopted budgets and forwards a

The Honorable Mary Jane Odell
May 15, 1984
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copy of the certified budget to the State Appeal Board. The State Appeal Board reviews the certified budgets and upon approval, enters the various budgets and tax rates in a data base for future use by the executive and legislative branches.

This section would require county auditors to adjust a tax rate after it has been certified and published which will increase the cost of administering the law and produce unnecessary confusion.

The amount involved per individual taxpayer would not be significant. It would be much more cost efficient and less confusing to allow the tax to be collected as certified and reduce the tax levy in the subsequent year.

Finally, I am unable to approve Section 9, which reads as follows:

Sec. 9. This Act, being deemed of immediate importance, takes effect ~~from~~ and after its publication in the Belle Plaine Union, a newspaper published in Belle Plaine, Iowa, and in The Sioux City Journal, a newspaper published in Sioux City, Iowa.

For the 1983-1984 year, the legislature allowed the counties to retain 65 percent of the Sunday liquor license fees and all of the Sunday beer permit license fees. The state collects Sunday liquor license fees and remits the 65 percent to the counties. The counties collect Sunday beer license fees and retain all of it.

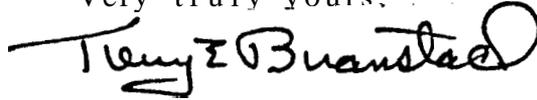
In Senate File 2353, the legislature provides that all Sunday liquor license fees and Sunday beer permit license fees shall be deposited in the state beer and liquor fund on the date of publication of the bill, which would be prior to the end of the fiscal year 1984.

The counties adopted and certified their fiscal 1984 budgets in anticipation of receiving these license fee funds through the end of fiscal year 1984 to pay for persons admitted or committed to alcoholic treatment centers. The counties presently have responsibility for funding these treatment programs and will be short funds to finance these programs through the end of fiscal year 1984 if they do not receive these license fee funds. Since the state is not assuming responsibility for funding the treatment centers until July 1, 1984, the state should not collect these funds until the beginning of the new fiscal year.

The Honorable Mary Jane Odell
May 15, 1984

For these reasons, I respectfully disapprove of these items in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of Senate File 2353 are hereby approved as of this date,

Very truly yours,



Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

SENATE FILE 2354

AN ACT

TO TREAT THE SALE OF VULCANIZING, RECAPPING, AND RETREADING SERVICES UNDER THE STATE SALES, SERVICES, AND USE TAX AS A SALE OF TANGIBLE PERSONAL PROPERTY, AND PROVIDING RETROACTIVE EFFECT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 422.43, Code Supplement 1983, is amended by adding after subsection 3 the following new Subsection and renumbering the remaining subsections:

NEW SUBSECTION. There is imposed a like rate of tax upon the gross receipts from the sales of vulcanizing, recapping, and retreading services. For the purpose of this division, the sales of vulcanizing, recapping, and retreading services are sales of tangible property.

Sec. 2. Section 422.43, subsection 9, Code Supplement 1983, is amended to read as follows:

9. The following enumerated services are subject to the tax imposed on gross taxable services: Alteration and garment repair; armored car; automobile repair; battery, tire and allied; investment counseling, ~~excluding~~ investment services of trust departments; bank service charges; barber and beauty; boat repair; car wash and wax; carpentry; roof, shingle, and glass repair; dance schools and dance studios; dry cleaning, pressing, dyeing, and laundering; electrical repair and installation; engraving, photography, and retouching; equipment rental; excavating and grading; farm implement repair of all kinds; flying service, except agricultural aerial application services and aerial commercial and charter transportation

services: furniture, rug, upholstery repair and cleaning; fur storage and repair; golf and country clubs and all commercial recreation; house and building moving; household appliance, television, and radio repair; jewelry and watch repair; machine operator; machine repair of all kinds; motor repair; motorcycle, scooter, and bicycle repair; oilers and lubricators; office and business machine repair; painting, papering, and interior decorating; parking facilities; pipe fitting and plumbing; wood preparation; private employment agencies, excluding services for placing a person in employment where the principal place of employment of that person is to be located outside of the state; printing and binding; sewing and stitching; shoe repair and shoeshine; storage warehousing Of raw agricultural products; telephone answering service; test laboratories, except tests on humans; termite, bug, roach, and pest eradicators; tin and sheet metal repair; turkish baths, massage, and reducing salons; ~~vulcanizing, recapping, and retreading,~~ weighing; welding; well drilling; wrapping, packing, and packaging of merchandise other than processed meat, fish, fowl and vegetables; wrecking service; wrecker and towing.

Sec. 3. Section 423.1, subsection 4, Code Supplement 1983, is amended to read as follows:

4. "Tangible personal property" means tangible goods, wares, merchandise, optional service or warranty contracts, vulcanizing, recapping, or retreading services, and gas, electricity, and water when furnished or delivered to consumers or users within this state.

Sec. 4. This Act is retroactive to January 1, 1979.

Sec. 5. Notwithstanding that section 1 is retroactive to January 1, 1979, any tax collected before the effective date of this Act because vulcanizing, recapping, and retreading services were not sales of tangible property is not refundable.

Sec. 6. This Act, being deemed of immediate importance, takes effect from and after its publication in the Audubon

County Journal, a newspaper published in Exira, Iowa, and
in The Bayard News, a newspaper published in Bayard, Iowa.

CHARLES P. MILLER
President Pro Tempore of the
Senate

DONALD D. AVENSON .
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 2354, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor

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SENATE FILE 2359

AN ACT

ESTABLISHING COMPARABLE WORTH SALARY ADJUSTMENTS FOR STATE EMPLOYEES BASED ON A COMPARABLE WORTH PAY GRADE SYSTEM, ESTABLISHING A COMPARABLE WORTH REVIEW COMMITTEE, AND MAKING SUPPLEMENTAL APPROPRIATIONS FOR SALARY ADJUSTMENTS AND IMPLEMENTATION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. DEFINITIONS. As used in this Act:

1. "Comparable worth pay grade" means the pay grade as determined by the factor determined score for the job title as finally determined after completion of the review process as outlined in this Act, and the appropriate pay grade position for that factor determined score on the following scale:

<u>Factor Determined</u>	<u>Score Range:</u>	<u>Pay Grade</u>
	137--147	10
	148--158	11
	159--169	12
	170--180	13
	181--191	14
	192--202	15
	203--213	16
	214--224	17
	225--236	18
	237--248	19
	249--261	20
	262--275	21
	276--289	22
	290--304	23
	305--320	24
	321--336	25
	337--354	26

355--372	27
373--392	28
393--412	29
413--433	30
434--456	31
457--480	32
481--504	33
505--531	34
532--558	35
559--587	36
588--618	37
619--650	38
651--684	39
685--719	40
720--757	41
758--796	42
797--837	43

However, if there is a change in the total of all factor determined scores for all job titles of more than two percent as a result of decisions following reviews, the maximum factor determined score for each pay grade shall be adjusted by a percentage change equal to the percentage change in the total of all factor determined scores for all job titles prior and subsequent to the review process, rounded to the nearest whole number.

2. "Factor score" means the point score received by a job title on any of the thirteen factors in the study, as developed by the study commissioned under 1983 Iowa Acts, chapter 170, section 2.

3. "Factor determined score" means the score for a job title determined by adding the factor scores received for the job title on each of the thirteen factors.

4. "Job title" means one or more positions which are sufficiently similar in duties and responsibilities that each position requires the same minimum qualifications and can

be filled based on substantially the same test of ability or fitness, and that the same pay grade can be applied with equity to the positions.

5. "Net effect on the general fund" means the total revenue outlay from the general fund, subtracting revenues to the state from other sources which directly defray the revenue outlay from the state.

Sec. 2. EMPLOYEE PARTICIPATION IN FACTOR SCORE REVIEW AND FINAL RATIFICATION OF FACTOR DETERMINED SCORES.

1. Any employee subject to the Iowa merit system may request review of the factor scores or the factor determined score that employee's job title received. Requests for review by more than one employee within a job title shall be considered together, and a request for review by one or more employees within a job title shall be considered as a request on behalf of all employees in that job title.

2. The Iowa merit employment department on its own initiative may request review of factor scores on any job titles under the merit system. These requests for review shall be delineated by the Iowa merit employment department and shall be available to merit employees no later than June 1, 1984 and prior to the notice in subsection 3. The delineation shall include a description of the reasons the factor scores should be reviewed and the Iowa merit employment department's recommendations for changing the factor scores.

3. Employees shall be notified of their right to request review of their factor scores and factor determined scores with one or more biweekly pay checks. The Iowa merit employment department shall devise "request for review" forms based upon the recommendations of the study commissioned under 1983 Iowa Acts, chapter 170, section 2. The department shall make "request for review" forms available to all departments and agencies with employees subject to the merit system and shall make the forms available to individual employees upon request. Employees shall be provided access to complete

information regarding the study and the methods for determining factor scores in the system.

4. Employees shall have not less than four weeks from the time the first notice of the right to request review is distributed in which to file a request for review. The department shall notify employees who file incomplete or incorrect requests for review, and shall assist them to complete and file the forms correctly.

5. Review teams shall be constituted to represent all types of employees in the merit system, and shall include representation from contractual as well as noncontractual employees. Teams shall be trained in the job evaluation system and, in reviewing job titles, shall review employee and department "request for review" forms as well as all materials used in initially setting the factor scores.

6. Each job title for which requests for review are filed under subsections 1 through 4 shall be reviewed by a review team. If the review team disagrees with the initial factor score, a second review team shall examine the factor score as determined initially and by the first review team and shall make a final decision as to that factor score.

7. Subsection 5 shall be conducted with the review and comment of the comparable worth review committee established in section 6 of this Act and subsections 5 and 6 shall be conducted under the supervision and approval of the Iowa civil rights commission. All reviews shall be completed by November 1, 1984.

Sec. 3. NONCONTRACTUAL EMPLOYEES. For noncontractual employees under the state merit system, the following implementation schedule applies for the initial phase of comparable worth adjustments:

1. In implementing the first phase of comparable worth adjustments, employees in job titles whose current pay grade is below the comparable worth pay grade shall be adjusted upward to their comparable worth pay grade. However, no job

titles shall be raised above pay grade thirty-two under the initial implementation process. This implementation shall only be done after completion of the review process.

2. In implementing the first phase of comparable worth adjustments, employees whose pay grades will be increased shall retain their merit step positions when those adjustments are made.

3. Comparable worth adjustments made in the first phase shall be implemented on or after January 1, 1985, with implementation at the earliest pay period possible subject to the limitations in funding provided in section 7 of this Act. The amount of funds available under section 7 of this Act for employees covered under this section shall be determined in accordance with section 5 of this Act.

Sec. 4. CONTRACTUAL EMPLOYEES. For contractual employees under the state merit system, the governor and the certified bargaining representatives shall implement comparable worth consistent with the provisions of chapter 20.

Appropriations made to implement the comparable worth adjustments as provided in section 7 of this Act and to complete the comparable worth adjustments as provided for in section 8 of this Act, shall be separate and distinct from any appropriations made to implement a collective bargaining agreement negotiated, consistent with chapter 20, between the state and the state's employees.

Sec. 5. DISTRIBUTION OF FUNDS. Upon completion of the review process as established in section 2 of this Act, the state comptroller's office, in consultation with the legislative fiscal bureau, shall determine the total biweekly salary costs for implementing the first phase of comparable worth adjustments, if the adjustments for all employees, both contractual and noncontractual, under the merit system were to be made in accordance with section 3, subsections 1 and 2 of this Act, and shall determine the net effect on the general fund for these adjustments.

The state comptroller's office shall determine the earliest pay period after December 31, 1984, that the adjustments may be put into effect subject to the limitations of funds provided in section 7 of this Act. The Iowa merit employment department shall place those adjustments into effect for noncontractual employees under the state merit system as provided in section 3 of this Act for the earliest pay period in 1985 as determined by the state comptroller and subsequent pay periods during the fiscal year. Other funds available under section 7 of this Act shall be available to meet any negotiated agreements reached under section 4 of this Act.

Sec. 6. COMPARABLE WORTH REVIEW COMMITTEE AND FINAL IMPLEMENTATION. There is established a comparable worth review committee to oversee the review process as provided in section 2 of this Act and to make recommendations regarding the completion of the implementation of comparable worth adjustments in accordance with 1983 Iowa Acts, chapter 170. The committee shall be composed of seven members, one to be appointed by the governor, and six to be appointed by the legislative council. Appointments shall be made not later than June 1, 1984 and shall include persons skilled in social science research and in comparable worth policy.

Legislative members of the committee are entitled to per diem and expenses as provided for interim study committee members in section 2.44. Public members who are not public employees are entitled to a per diem of forty dollars for attending committee meetings. Public members and public employee members are entitled to reimbursement for travel and other necessary expenses actually incurred in the performance of their duties on the committee. Payment for authorized per diem and expenses shall be made as provided in section 2.12.

The committee shall make recommendations to the governor, the legislative council, and the general assembly by January 1, 1985, regarding final implementation of the comparable

worth adjustments, which recommendations shall include the following:

1. Incorporation of comparable worth policy into state agencies exempt or partially exempt from the state merit system, except the state board of regents, and the judicial department with an emphasis upon treating the job titles and positions in those agencies which are substantially equivalent to job titles or positions in the merit system in a comparable manner with respect to pay.

2. Establishment of a single pay plan for state merit employees consistent with the recommendations for salary schedules associated with the comparable worth pay grades used in section 1 of this Act and recommended modifications or adjustments made under subsection 3 of this section and the effect such a pay plan would have in eliminating sex bias or bias in comparability of pay for jobs of comparable worth.

3. Implementation of comparable worth adjustments to bring all job titles below their comparable worth pay grade up to that pay grade, incorporating any modifications or adjustments to the method of determining the comparable worth pay grade that may be necessary to reflect adjustments determined to more fully reflect the policy of the state as established in section 79.18, including consideration of alternative methods for establishing the relationship between factor determined scores and pay grades.

4. Implementation of any other adjustments to the pay grade positions of job titles that may be recommended by the Iowa merit employment department to avoid compaction in job series or otherwise correct internal discrepancies within job series and the comparable worth pay grade system.

5. Implementation of a system which addresses job titles with current pay grades above their comparable worth pay grades.

6. Implementation of recommendations to combine certain job titles which were recommended for combination because

of their comparable worth scores and the similarity of their job descriptions.

7. Implementation of a procedure for maintaining the comparable worth factor determination system for job evaluation, including the assigning of factor scores for new job titles in the state merit system.

Sec. 7. APPROPRIATIONS. Subject to the limitations in subsection 5:

1. There is appropriated from the general fund of the state to the salary adjustment fund established in section 8.43, for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the amount necessary to be distributed to the various departments to supplement other funds appropriated by the general assembly, to provide the salary adjustments required by this Act to the extent the salaries are payable by the state.

2. There is appropriated from the road use tax fund of the state to the state department of transportation for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the amount necessary to supplement other funds appropriated by the general assembly, to provide the salary adjustments required by this Act for employees of the state department of transportation, to the extent the salaries are payable by the state.

3. There is appropriated from the primary road fund to the state department of transportation for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the amount necessary to supplement other funds appropriated by the general assembly, to provide the salary adjustments required by this Act for employees of the state department of transportation, to the extent the salaries are payable by the state.

4. To departmental revolving, trust, or special funds, except for the road use tax fund or the primary road fund, for which the general assembly has established an operating budget, a supplemental authorization is provided, unless

otherwise provided, in an amount necessary to fund salary adjustments required by this Act, to the extent the salaries are payable by the state.

5. The total cost of the salary adjustments, including fringe benefits, made under this Act for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to employees in the merit system shall not exceed ten million dollars. The net effect on the general fund of the state of the salary adjustments, including fringe benefits, made under this Act for the fiscal year beginning July 1, 1984, and ending June 30, 1985, shall not exceed five million dollars.

6. All federal grants to and federal receipts of the agencies affected by this Act which are received and may be expended for the purposes of this Act are appropriated for such purposes and as set forth in the federal grants or receipts.

7. There is appropriated from the general fund of the state to the comparable worth review committee established in section 6 of this Act the sum of fifty thousand (**50,000**) dollars or so much thereof as may be necessary. Subject to the conditions of section 2, subsection 7 of this Act, the committee shall contract with outside personnel or with state agencies for completion of the review process, including the training of review teams and review team oversight, and may hire staff to provide ongoing assistance to the committee.

8. There is appropriated from the general fund of the state to the comparable worth review committee for allocation to state agencies, the sum of fifty thousand (50,000) dollars, or so much thereof as may be necessary, for agencies with positions wholly or partially exempted from the merit system for development of proposals to provide the committee pertaining to section 6, subsection 1 of this Act; and to the state board of regents and the judicial department for assistance in its responsibilities under section 8 of this Act.

9. There is appropriated from the general fund of the state to the Iowa merit employment department, in addition to other funds appropriated by the general assembly, for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of fifty thousand (50,000) dollars, or so much thereof as may be necessary, to fulfill its responsibilities under section 6, subsections 4 through 7 of this Act and to assist the review committee in performing its functions.

Sec. 8. AGENCY COMPARABLE WORTH REPORTS. Agencies with positions which are exempt or partially exempt from the state merit system shall report to the governor and the legislative council by December 15, 1984, on the degree to which the salary plans covering positions substantially equivalent to those in the state merit system comply with the provisions of 1983 Iowa Acts, chapter 170. The reports shall include a plan for implementation in fiscal year 1986 of comparable worth salary adjustments, if necessary, and the amount of appropriations necessary to implement those adjustments. Notwithstanding sections 602.1204, 602.1208, 602.1209, and 602.1401 of the Iowa Code, the provisions of this section of this Act shall be applicable to the judicial department.

Sec. 9. IMPLEMENTATION STAGES. It is the intent of the general assembly that implementation of comparable worth adjustments for state employees, pursuant to section 79.18, be completed in the following three phases:

1. The initial phase, with adjustments for merit employees made under this Act for the fiscal year beginning July 1, 1984 and ending June 30, 1985.

2. The second phase, with completion of adjustments for merit employees, including action on any recommendations made by the review committee under section 6, subsections 2 through 5 of this Act, and with initiation of adjustments for other state employees, including actions on any recommendations made by the review committee under section 6, subsection 1 of this Act, for the fiscal year beginning July 1, 1985 and ending June 30, 1986.

3. The final phase, with completion of any adjustments initiated in the second phase of implementation, for the fiscal year beginning July 1, 1986 and ending June 30, 1987.

Sec. 10. This Act, being deemed of immediate importance, takes effect from and after its publication in the Ames Daily Tribune, a newspaper published in Ames, Iowa, and in the Iowa city Press-Citizen, a newspaper published in Iowa City, Iowa.

CHARLES P. MILLER
President Pro Tempore of the
Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2359, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

May 20, 1984



The Honorable Mary Jane Odell
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit Senate File **2359**, an act establishing comparable worth salary adjustments for state employees based on a comparable worth pay grade system, establishing a comparable worth review committee, and making supplemental appropriations for salary adjustments and implementation.

Senate File **2359** is approved May 20, 1984 with the following exceptions which I hereby disapprove.

I am unable to approve the items designated in the Act as Section 2 which reads as follows:

Sec. 2. EMPLOYEE PARTICIPATION IN FACTOR SCORE REVIEW AND FINAL RATIFICATION OF FACTOR DETERMINED SCORES.

1. Any employee subject to the Iowa merit system may request review of the factor scores or the factor determined score that employee's job title received. Requests for review by more than one employee within a job title shall be considered together, and a request for review by one or more employees within a job title shall be considered as a request on behalf of all employees in that job title.

2. The Iowa merit employment department on its own initiative may request review of factor scores on any job titles under the merit system. These requests for review shall be delineated by the Iowa merit employment department and shall be available to merit employees no later than June 1, 1984 and prior to the notice in subsection 3. The delineation shall include a description of the reasons the factor scores should be reviewed and the Iowa merit employment department's recommendations for changing the factor scores.

3. Employees shall be notified of their right to request review of their factor scores and factor determined scores with one or more biweekly pay checks. The Iowa merit employment department shall devise "request for review" forms based upon the recommendations of the study commissioned under 1983 Iowa Acts, chapter 170, section 2. The department shall make "requests for review" forms available to all departments and agencies with employees subject to the merit system and shall make the forms available to individual employees upon request. Employees shall be provided access to complete information regarding the study and the methods for determining factor scores in the system.

4. Employees shall have not less than four weeks from the time the first notice of the right to request review is distributed in which to file a request for review. The department shall notify employees who file incomplete or incorrect requests for review, and shall assist them to complete and file the forms correctly.

5. Review teams shall be constituted to represent all types of employees in the merit system, and shall include representation from contractual as well as noncontractual employees. Teams shall be trained in the job evaluation system and, in reviewing job titles, shall review employee and department "request for review" forms as well as all materials used in initially setting the factor scores.

6. Each job title for which requests for review are filed under subsections 1 through 4 shall be reviewed by a review team. If the review team disagrees with the initial factor score, a second review team shall examine the factor score as determined initially and by the first review team and shall make a final decision as to that factor score.

7. Subsection 5 shall be conducted with the review and comment of the comparable worth review committee established in section 6 of this Act and subsections 5 and 6 shall be conducted under the supervision and approval of the Iowa civil rights commission. All reviews shall be completed by November 1, 1984.

Senate File 2359 is an attempt to provide pay equity to all employees in the Merit System of state government. That is why I have signed the bill. Unfortunately, the study which preceded this legislation and the bill itself were both done hastily.

The Honorable Mary Jane Odell

May 20, 1984

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Numerous flaws in the implementation method laid out in Section 1 have been identified. For example, Jerry Miller is the man who, almost singlehandedly, has stood atop scaffolding for grueling endless hours in our State Capitol to restore the building to the ambience intended by our forefathers. He has been recognized for his stenciling talents by many groups and was even the subject of a feature in the Des Moines Register. Some believe that few, if any other persons in Iowa, have the comparable talent and perseverance he has given to this state. Yet in this year in which we celebrated our Capitol's centennial, this bill would reduce Mr. Miller's pay scale four grades.

For this and many other reasons, the plan in Section 1 cannot be engraved in stone. Many individual state employees, personnel officials and Iowa citizens have communicated the need for a thorough reexamination of this section. Any statistically developed comparable worth plan should be tempered with common sense and compassion for taxpayers as well as state employees.

It is, therefore, important that we have the most credible, effective review process possible. For it is through this process that the state and its employees will have an opportunity to rectify mistakes made by legislators in drafting the Section 1 implementation mechanism.

I am not confident that the review process established in Section 2 will be an effective method for hearing appeals. Instead of this method, a comparable worth review should be handled by professionals in personnel matters. Furthermore, responsibility for the review process should not be placed on the shoulders of an already overworked agency. The Civil Rights Commission has an important mission of its own.

I am unable to approve the item designated in the Act as Section 6 which reads as follows:

Sec. 6. COMPARABLE WORTH REVIEW COMMITTEE AND FINAL IMPLEMENTATION. There is established a comparable worth review committee to oversee the review process as provided in section 2 of this Act and to make recommendations regarding the completion of the implementation of comparable worth adjustments in accordance with 1983 Iowa Acts, chapter 170. The committee shall be composed of seven members, one to be appointed by the governor, and six to be appointed by the legislative council. Appointments

shall be made not later than June 1, 1984 and shall include persons skilled in social science research and in comparable worth policy.

Legislative members of the committee are entitled to per diem and expenses as provided for interim study committee members in section 2.44. Public members who are not public employees are entitled to a per diem of forty dollars for attending committee meetings. Public members and public employee members are entitled to reimbursement for travel and other necessary expenses actually incurred in the performance of their duties on the committee; Payment for authorized per diem and expenses shall be made as provided in section 2.12.

The committee shall make recommendations to the governor, the legislative council, and the general assembly by January 1, 1985, regarding final implementation of the comparable worth adjustments, which recommendations shall include the following:

1. Incorporation of comparable worth policy into state agencies exempt or partially exempt from the state merit system, except the state board of regents, and the judicial department with an emphasis upon treating the job titles and positions in those agencies which are substantially equivalent to job titles or positions in the merit system in a comparable manner with respect to pay.

2. Establishment of a single pay plan for state merit employees consistent with the recommendations for salary schedules associated with the comparable worth pay grades used in section 1 of this Act and recommended modifications or adjustments made under subsection 3 of this section and the effect such a pay plan would have in eliminating sex bias or bias in comparability of pay for jobs of comparable worth.

3. Implementation of comparable worth adjustments to bring all job titles below their comparable worth pay grade up to that pay grade, incorporating any modifications or adjustments to the method of determining the comparable worth pay grade that may be necessary to reflect adjustments determined to more fully reflect the policy of the state as established in section 79.18, including consideration of alternative methods for establishing the relationship between factor determined scores and pay grades.

4. Implementation of any other adjustments to the pay grade positions of job titles that may be recommended by the Iowa merit employment department to avoid compaction in job series or otherwise correct internal discrepancies within job series and the comparable worth pay grade system.

5. Implementation of a system which addresses job titles with current pay grades above their comparable worth pay grades.

6. Implementation of recommendations to combine certain Job titles which were recommended for combination because of their comparable worth scores and the similarity of their job descriptions.

7. Implementation of a procedure for maintaining the comparable worth factor determination system for job evaluation, including the assigning of factor scores for new job titles in the state merit system.

I am unable to approve the items designated in the Act as Section 7, subsections 7 and 9 which read as follows:

7. There is appropriated from the general fund of the state to the comparable worth review committee established in section 6 of this Act the sum of fifty thousand (50,000) dollars or so much thereof as may be necessary. Subject to the conditions of section 2, subsection 7 of this Act, the committee shall contract with outside personnel or with state agencies for completion of the review process, including the training of review teams and review team oversight, and may hire staff to provide ongoing assistance to the committee.

9. There is appropriated from the general fund of the state to the Iowa merit employment department, in addition to other funds appropriated by the general assembly, for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of fifty thousand (50,000) dollars, or so much thereof as may be necessary, to fulfill its responsibilities under section 6, subsections 4 through 7 of this Act and to assist the review committee in performing its functions.

The oversight committee set up in Section 6 will be controlled by the legislative branch of state government. This represents serious legislative encroachment into an executive branch function. I will draw on management and labor specialists in establishing a new review committee that will continue to monitor our progress on comparable worth.

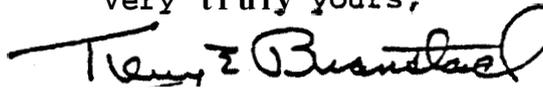
Section 7(7) and (9) provided funding for the review committee and review process. This appropriation is no longer needed.

Through a credible review process and oversight committee, employees and individual departments will have recourse for adjusting the proposed implementation scheme.

The Honorable Mary Jane Odell
May 20, 1984
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For the above reasons, I respectfully disapprove of these items in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of Senate File 2359 are hereby approved as of this date.

Very truly yours,



Terry E. Branstad
Governor

TEB/pjs

cc: Secretary of the Senate
Chief Clerk of the House

SENATE FILE 2361

AN ACT

RELATING TO AND MAKING APPROPRIATIONS FOR VARIOUS GOVERN-
MENT PROJECTS AND PROGRAMS AND PROVIDING EFFECTIVE DATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

Section 1. NEW SECTION. 260A.1 EDUCATIONAL EXCELLENCE PROGRAM. The Iowa educational excellence program is established and it includes Iowa educational excellence incentive awards to be granted in the manner provided in this chapter.

Sec. 2. NEW SECTION. 260A.2 EDUCATIONAL IMPROVEMENT PROJECTS. The board of directors of a school district may make application by November 1 of a school year to the department of public instruction for funding for an educational improvement project to be carried out in the school district during the next following school year. The board of directors may apply for an educational excellence incentive award or for additional allowable growth, or both, to fund the project.

An educational improvement project is a project that has not been implemented, requires additional funding for implementation that the district cannot provide, is designed to achieve academic excellence, and has general application in other school districts throughout the state. The project may relate to curriculum, instructional practices, expansion of educational program or staff development.

The application shall include the goals and objectives of the project, staff utilization plans, evaluation criteria and procedures, the program budget, and other factors the department deems necessary. The board also shall include in its application the process used in the school district to involve parents, teachers, administrators, and students in the planning and development of the project.

The total cost of a project shall not exceed one percent of the district cost per pupil of the school district for the budget year multiplied by the budget enrollment of the school district for the budget year or five thousand dollars, whichever is greater.

The department of public instruction shall review the project applications and shall prior to February 15 of that school year send written notification of approval to the school district proposing the project and the state comptroller and school budget review committee. The Written notification shall include notification whether a district has been granted an educational excellence incentive award by the department.

Sec. 3. NEW SECTION. 260A.3 FUNDING. A project that has been approved by the department of public instruction shall be funded one-fourth or more from the district cost of the school district and up to three-fourths by an increase in allowable growth as defined in section 442.7 or by an educational excellence incentive award granted by the department of public instruction under section 260A.4, or both.

Annually, the state comptroller shall establish a modified allowable growth for each school district having an approved project for which additional allowable growth is required to fund the project. The modified allowable growth shall be equal to the difference between the approved budget for the project for that district and the sum of the amount funded from the district cost of the district plus funds received from the educational excellence incentive award if an award has been granted to that district.

Sec. 4. NEW SECTION. 260A.4 AWARDS. Annually, the department of public instruction shall select from among the school districts with approved educational improvement projects and shall approve the distribution of educational excellence incentive awards to school districts. An award is equal to five thousand dollars, and the department shall make payment

to school districts from funds appropriated by the general assembly for that purpose.

Sec. 5. NEW SECTION. 260A.5 REPORT REQUIRED. Not later than August 15 of the school year following the school year in which an educational improvement project has been carried out, the board of directors of the school district carrying out the project shall file a report with the department of public instruction describing the manner in which the project was carried out, the results of the project, and moneys expended for the project.

If a project was not carried out, or if the cost of carrying out a project was less than the amount approved for the project, the department of public instruction shall notify the state comptroller. The state comptroller shall determine for a project the amount not expended that was additional allowable growth and the amount not expended that was from the educational excellence incentive award, and shall reduce the district's tax levy computed under section 442.9 for the next following budget year to reduce the anticipated receipts from the tax levy by the amount of additional allowable growth not expended and the district's total state school aids available under chapter 442 for the next following budget year by the amount of the award not expended.

Sec. 6. NEW SECTION. 260A.6 RULES. The state board of public instruction shall adopt rules under chapter 17A to implement this chapter.

Sec. 7. Section 442.9, subsection 1, paragraph a. Code supplement 1983, is amended to read as follows:

a. As used in this chapter, "district cost per pupil" for the school year beginning July 1, 1975, and subsequent school years means district cost per pupil in weighted enrollment. The district cost per pupil for the budget year is equal to the district cost per pupil for the base year plus the allowable growth. However, district cost per pupil does not include additional allowable growth added for programs

for gifted and talented children, and for programs for returning dropouts, and for educational improvement projects, under this chapter or for school districts that have a negative balance of funds raised for special education instruction programs under section 442.13, subsection 14, paragraph "b", and does not include additional allowable growth established by the school budget review committee for a single school year only.

Sec. 8. There is appropriated from the general fund of the state to the department of public instruction for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of one hundred fifty thousand (150,000) dollars, or so much thereof as is necessary, to be paid to school districts for educational excellence incentive awards pursuant to chapter 260A.

DIVISION II

Sec. 9. There is appropriated from the general fund of the state to the department of public instruction for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of five hundred thousand (500,000) dollars, or so much thereof as may be necessary, to be allocated to the merged area schools created in chapter 280A for equipment replacement.

DIVISION III

Sec. 10. There is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of one hundred fifty thousand (150,000) dollars, or so much thereof as may be necessary, to be used to supplement the appropriation made in section 261.63 for supplemental grants to students.

Sec. 11. There is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of fifty thousand (50,000) dollars, or so much thereof

as may be necessary, to be used to supplement the appropriation made in section 261.25, subsection 1, for tuition grants.

DIVISION IV

Sec. 12. In addition to any other funds appropriated to the state board of regents, there is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of one million five hundred fifty thousand (1,550,000) dollars, or so much thereof as may be necessary, to be used for the following purposes:

	1984-1985
	<u>Fiscal Year</u>
1. UNIVERSITY OF IOWA	
For salaries, support, maintenance, and miscellaneous purposes	\$ 700,000
2. IOWA STATE UNIVERSITY	
For salaries, support, maintenance, and miscellaneous purposes	\$ 550,000
3. UNIVERSITY OF NORTHERN IOWA	
For salaries, support, maintenance, and miscellaneous purposes	\$ 300,000

DIVISION V

Sec. 13. NEW SECTION. 266.31 CENTER ESTABLISHED--DIRECTOR--ASSISTANTS--SALARIES. The state board of regents shall maintain at Ames, in connection with the agricultural experiment station at Iowa state university of science and technology, a meat export research center. The center shall research technological, economic, and other factors involved in improving the performance of Iowa products in the meat export market with emphasis on the manufacture of value added meat products. The objectives of the center are:

1. To develop innovative meat processing technology to expand and support the export of meat products from Iowa;
2. To provide information to assist in assessing demand characteristics of international and domestic markets for meat and manufactured meat products;

3. To evaluate alternatives to help decision makers develop public policy concerning international and domestic trade in commodities resulting from livestock production and manufacturing of animal products;

4. To provide a center to enhance the exchange of information relative to technology, policy considerations and strategy supporting the export of animal products.

The president of the university shall appoint the director of the center and assistants as are deemed necessary to carry on the work of the center. The president shall fix the salaries of the director and assistants with the approval of the board.

Sec. 14. NEW SECTION. 266.32 ACCEPTANCE OF PRIVATE FUNDS. The state board of regents may accept grants of money from private sources for use in maintaining the meat export research center.

Sec. 15. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the sum of two hundred thousand (200,000) dollars to be used to establish and maintain at Ames in connection with Iowa state university of science and technology, the meat export research center.

DIVISION VI

Sec. 16. NEW SECTION. 266.33 The Iowa agricultural experiment station at Iowa state university of science and technology shall conduct horticultural research to identify and improve fruits and vegetables which can be effectively grown in Iowa to provide more diversity for Iowa agriculture. The experiment station shall investigate production, marketing, and management techniques, adaptability, and horticultural potential of the fruits and vegetables for both processing and for fresh market sale.

Sec. 17. There is appropriated from the general fund of the state to the state board of regents for the fiscal year

beginning July 1, 1984, and ending June 30, 1985, the following amounts, or so much thereof as is necessary, to be used for the purpose designated in section 266.33:

1. For the acquisition of a building, necessary equipment, and operation expenses at the Muscatine Island research station \$ 50,000

2. For the establishment of and equipment, operation, and personnel of a new research center in western Iowa \$ 60,000

Sec. 18. NEW SECTION. 266.34 The Iowa cooperative extension service in agriculture and home economics shall employ a state extension fruit specialist to provide leadership in the development of a broader array of educational materials and field staff training. The materials on training should provide, in popular and practical terms. the available research at Iowa state university of science and technology and elsewhere that will enable area and county extension service to expand their efforts with existing and potential fruit growers for marketing in or outside of this state.

Sec. 19. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1984, and ending June 30, 1985, thirty-five thousand (35,000) dollars, or so much thereof as is necessary to be used for salaries and operating expenses within the cooperative extension service for the purpose designated in section 266.34.

Sec. 20. There is appropriated from the general fund of the state to the Iowa department of agriculture for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the sum of thirty-five thousand (35,000) dollars to be used to hire a horticultural marketing specialist and support staff in order to develop programs which will assist the

horticultural industry in Iowa, which programs shall include, but are not limited to:

1. Statewide marketing plans for commercial horticultural products and crops.
2. Development of cooperatives for packaging and storing fresh produce.
3. Assessment of temporary and permanent market potential in metropolitan areas.
4. Establishment of an electronic marketing program for horticultural crops.

Sec. 21. NEW SECTION. 266.35 The agricultural experiment station at Iowa state university of science and technology shall conduct research to identify crops, other than corn and soybeans, which can be effectively grown in Iowa either alone or in multiple cropping schemes to provide more diversity for Iowa agriculture. The experiment station shall investigate production and management techniques, adaptability, feasibility, marketability, and agronomic potential of the alternate crops.

Sec. 22. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1984 and ending June 30, 1985. the sum of twenty-two thousand (22,000) dollars to be used by the agricultural experiment station at Iowa state university of science and technology for the research required by section 266.35.

Sec. 23. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of two hundred thousand (200,000) dollars to be used by the agricultural experiment station at Iowa state university for a new food crops research center.

DIVISION VII

Sec. 24. There is appropriated from the general fund of the state to the department of public safety for the fiscal year beginning July 1, 1984 and ending June 30, 1985 the sum

of two hundred thousand (200,000) dollars, or so much thereof as may be necessary, for payment of claims filed under the victim reparation program and for the payment of operational expenses.

Sec. 25. There is appropriated from the general fund of the state to the state bureau of labor for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

	<u>1984-1985</u>
	<u>Fiscal Year</u>
1. For performance of responsibilities under House File 2183, enacted by the Seventieth General Assembly, 1984 Session	\$ 33,000
2. For performance of duties specified under the hazardous chemicals risks right to know Act, Senate File 2248, enacted by the Seventieth General Assembly, 1984 Session	\$ 47,000

Sec. 26. Notwithstanding section 321.145, there transferred from the road use tax fund to the general fund of the state the sum of three hundred thousand (300,000) dollars which funds are hereby appropriated from the general fund of the state to the state department of public safety for the administration and supervision of the public highways for the fiscal year beginning July 1, 1984 and ending June 30, 1985, which funds shall be used for salaries, support, maintenance, and miscellaneous purposes of the division of highway safety and uniformed force for the administration and supervision of the public highways, including the state's contribution to the peace officers' retirement, accident,

and disability system provided in chapter 97A in the amount of sixteen percent of the salaries for which the funds are appropriated.

Sec. 27. NEW SECTION. 266.36 The Iowa cooperative extension service in agriculture and home economics shall accelerate the development of computer software and field staff training to increase the extension service's ability to offer financial management and counseling services to individual farm operators and to increase the analysis and understanding of financial management, marketing and related subjects among farm operators:

Sec. 28. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1984, and ending June 30, 1985, two hundred thousand (200,000) dollars, or so much thereof as is necessary, for salaries and operating expenses within the cooperative extension service, and for supplies, services, and equipment to be used for the purpose designated in section 266.36.

DIVISION VIII

Sec. 29. AGRICULTURE, FOOD, AND ENERGY DEMONSTRATION CENTER STUDY.

1. PURPOSE--INTENT. The general assembly of this state desires to promote and enhance economic development within the state. The establishment of an agriculture, food, and energy demonstration center may be useful in the development of agricultural and agricultural related activities within the state. A study shall be done as provided in this section for the purpose of determining the feasibility, practicality, advantages, disadvantages, benefits, and disincentives to agriculture and agricultural related businesses, the state, and local communities of having an agriculture, food, and energy demonstration center within the state. It is the intent of the general assembly that to the extent time and resources allow the study shall encompass all aspects of the question of the merits of establishing different types of

ASB

agriculture, food, and energy demonstration centers and the question of how to and what is needed to establish the different types of agriculture, food, and energy demonstration centers. The major objectives of this center are:

- a. To increase Iowa exports of agriculture and agriculture industries.
- b. To assist in training Americans and foreign nationals in the operation and utilization of American agricultural products, industries, and technologies.
- c. To effectively utilize already existent public-owned land for the purpose of demonstrating Iowa crops, products, and technology to potential purchasers from around the United States and the world.
- d. To encourage private business and industry to demonstrate the production, processing, storage, and distribution of all feasible agricultural systems. Such systems would include, but not be limited to, the following: modern systems of cattle, swine, sheep, dairy, and poultry production; processing systems; food and feed processing technologies; alternative energy technologies such as solar, wind, methane, ethanol, and bio-mass; and other systems and processes that can be demonstrated.
- e. To encourage the purchase of Iowa based commodities and technology in the export market.
- f. To create and expand business opportunities and employment opportunities within the state.
- g. To expand the research and technology base of agricultural education and nutrition research already existent in the state.
- h. To seek out the help, recommendation, and support of farm organizations and commodity groups, food and agricultural relief organizations, the exporting business community, all major state industries, manufacturers, and businesses, local and state government officials, and the citizens of Iowa in the establishment of an agriculture, food and energy demonstration center.

2. AGRICULTURE, FOOD, AND ENERGY DEMONSTRATION CENTER STUDY COMMITTEE. There is created an agriculture, food, and energy demonstration center study committee consisting of fifteen members. Four of the members, with not more than two of the same party, shall be appointed by and serve at the pleasure of the governor. Four of the members shall be members of the general assembly. The speaker of the house of representatives shall appoint two members, one from each political party. The president of the senate shall appoint two members, one from each political party. One member shall be appointed by the Des Moines city council. One member shall be appointed by the Ankeny city council. One member shall be appointed by the president of Iowa state university. Four members shall be associated with the private sector nonprofit corporation formed to provide matching funds for this study.

3. ORGANIZATION AND PARTICIPATION.

- a. The chairperson and vice chairperson of and elected by the committee shall direct and coordinate the activities of the committee.
- b. State officers and state departments and agencies shall cooperate by providing technical assistance to the committee upon request of the chairperson.
- c. The nonlegislative members of the committee shall be reimbursed for their travel and other necessary expenses actually incurred in the performance of their official duties from the state general fund from funds not otherwise appropriated. The legislative members shall receive, when the general assembly is not in session, a per diem of forty dollars and their travel and other necessary expenses actually incurred in the performance of their official duties from funds appropriated by section 2.12.
- d. The chairperson shall develop and provide to the governor or the governor's designee interim reports of the activities of the committee and shall complete and transmit copies of its final report to the governor and the members

of the general assembly who request them by January 1, 1985. The final report shall contain a brief summary of its activities, listing of its findings, and its recommendations, including additions or changes to existing law.

e. The agriculture, food, and energy demonstration center study committee shall cease to exist on March 1, 1985.

4. SCOPE OF THE STUDY. The committee shall consider and its recommendations shall address, but are not limited to, the following:

a. Examination of existing infrastructure in the central Iowa region including:

- (1) Transportation systems such as highways; railroads; and air, including international airport status.
- (2) Communication systems such as computer technologies and telecommunications of all types; satellite communications, including television; and developing communication links with all of the major world centers of commerce and trade.
- (3) Impact study for all communities in central Iowa.
- (4) Determination of the best location for the center.
- (5) Water source; waste, air and water management and disposal; electricity and gas.
- (6) Environmental impact statement.
- (7) Food, housing and local transportation for American and foreign visitors.

b. Determine what cooperation will be needed from local, state and federal agencies.

c. Determine what cooperation will be needed from higher education institutions.

d. Determination of the extent of participation and investment in an agriculture center by foreign governments and foreign private enterprise.

e. Determination of the extent of investment possible by federal government agencies, such as the foreign agricultural service of the United States department of agriculture and the agency for international development in the United States department of commerce.

5. STAFF SUPPORT. Staff for the agriculture, food, and energy demonstration center study committee may be provided by the legislative service bureau and the legislative fiscal bureau upon approval of the legislative council.

Sec. 30. There is appropriated from the general fund of the state to the marketing division of the Iowa development commission for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of sixty thousand (**60,000**) dollars, or so much thereof as may be necessary, to be deposited in a special account together with such other funds as may be obtained from other public or private sources for the use of the agriculture, food, and energy demonstration center study committee. The funds appropriated by this section may be expended only to the extent that they are matched with funds from other public or private sources.

DIVISION IX

Sec. 31. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984 and ending June 30, 1985, to the state board of regents, the sum of seven hundred twenty-five thousand (725,000) dollars, or so much thereof as necessary, for allocation by the state board of regents to the state university of Iowa, the Iowa state university of science and technology, and the Iowa braille and sight-saving school to undertake the following capital projects:

1. STATE UNIVERSITY OF IOWA
Fire safety deficiency corrections.
2. IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY
 - a. Fire safety deficiency corrections.
 - b. Planning for phase 2 of the college of education building.
 - c. Planning for the home economics building.
3. IOWA BRAILLE AND SIGHT-SAVING SCHOOL
Utility system master plan and other campus improvements.

Sec. 32. There is appropriated from the general fund of

the state to the following state agencies for the fiscal year beginning July 1, 1984, and ending June 30, 1985, the following amounts, or so much as may be necessary, to be used in the manner designated:

	1984-1985 <u>Fiscal Year</u>
1. COMMISSION FOR THE BLIND	
a. Major overhaul of the absorption system	\$ 1,260
b. For rebuilding of the cooling tower	\$ 840
2. DEPARTMENT OF GENERAL SERVICES	
a. For the payment of state house renovation costs	\$ 740,000
b. For the acquisitions of land surrounding the capitol complex as it becomes available	\$ 120,000
c. For the renovation and remodeling of the third floor of the Robert Lucas building	\$ 650,000
d. For repair to the Wallace state office building	\$ 55,000
e. For repair of the roof of the vehicle dispatcher building and the repair of the roof of the micrographics building	\$ 90,000
f. For the installation of individual water heaters in capitol complex buildings	\$ 61,600
g. For replacement of the incandescent lamps in the upper portions of the capitol	\$ 5,250
h. For automation of the north capitol elevator	\$ 13,500

i. For repair of the roof and dome of the state historical building	\$ 285,000
j. For the renovation of rest-room and drinking facilities in the state historical building to make them accessible to handicapped persons	\$ 10,000
k. For construction of a handicapped entrance ramp to the state historical building	\$ 5,000
3. IOWA STATE HISTORICAL DEPARTMENT	
a. For construction of a handicapped entrance to the centennial building in Iowa City	\$ 13,000
b. For the purchase of property adjacent to the gravesite at Gardner cabin	\$ 30,000
4. STATE CONSERVATION COMMISSION	
a. For Swan lake restoration	\$ 95,000
b. For construction, replacement, development and alterations to state parks and preserves, state forest facilities and state waters including artificial lake development; shoreline erosion and siltation control; river, stream and lake access; and engineering and planning services or to supplement any prior appropriation for such purposes	5 581,500
5. TREASURER OF STATE	
For the purchase of an investment machine and system	\$ 100,000

6. ENERGY POLICY COUNCIL
 For an energy management program for state-owned and rented buildings \$ 500,000

7. STATE FAIR BOARD
 For roofing of the pavilion and cattle barn and major overhaul of the electrical system \$ 240,000

8. DEPARTMENT OF PUBLIC DEFENSE
 For building an armory in Clinton \$ 388,000

Notwithstanding section 29A.57 the proceeds from the sale of the armory in Dubuque shall revert to the general fund of the state and not to the national guard facilities improvement fund.

9. DEPARTMENT OF PUBLIC SAFETY
 To purchase land and erect new tower at Cedar Falls \$ 70,000

Sec. 33. Notwithstanding section 8.33, unobligated or unencumbered funds appropriated under sections 31 and 32 of this Act shall remain available for expenditure during the fiscal year beginning July 1, 1985 and those funds remaining as of June 30, 1986 shall revert to the general fund of the state on September 30, 1986. The department of general services with the approval of the state comptroller, may transfer funds appropriated for a capital project in section 32, subsection 2 of this Act from one capital project to another capital project provided in section 32, subsection 2 of this Act so long as the total amount appropriated for all those projects is not exceeded.

DIVISION X

Sec. 34. Section 273.3, Code Supplement 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 18. Be authorized to issue school credit cards allowing area education agency employees to pay for the actual and necessary expenses incurred in the performance of work-related duties.

Sec. 35. Section 279.8, unnumbered paragraph 1, Code 1983, is amended to read as follows:

The board shall make rules for its own government and that of the directors, officers, employees, teachers and pupils, and for the care of the schoolhouse, grounds, and property of the school corporation, and shall aid in the enforcement of the ~~same~~ rules, and require the performance of duties by said persons imposed by law and the rules. The board shall include in its rules provisions regulating the loading and unloading of pupils from a school bus stopped on the highway during a period of reduced highway visibility caused by fog, snow or other weather conditions. The board shall have the authority to include in its rules provisions allowing school corporation employees to use school credit cards to pay for the actual and necessary expenses incurred in the performance of work-related duties.

Sec. 36. Section 280A.23, code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 11. Be authorized to issue to employees of merged area schools school credit cards to use for payment of authorized expenditures incurred in the performance of work-related duties.

Sec. 37. Section 3038.6, code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 9. Issue to employees within their jurisdiction regional library system credit cards to use for payment of authorized expenditures incurred in the performance of work-related duties.

Sec. 38. This Act, being deemed of immediate importance, shall take effect as provided in this section from and after its publication in the Oskaloosa Daily Herald, a newspaper

published in Oskaloosa, Iowa, and in the Diamond Trail News, a newspaper published in Sully, Iowa. Section 32, subsection 2, paragraph "a", of this Act appropriating funds to the department of general services for payment of state house renovation costs shall take effect upon publication and become available for expenditure upon that date notwithstanding any contrary provision of that section. All other provisions of this Act shall take effect July 1 following enactment.

CHARLES P. MILLER
President Pro Tempore of the
Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2361, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319
515 281-5211

May 19, 1984



The Honorable Mary Jane Odell
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit Senate File 2361, an act relating to and making appropriations for various government projects and programs and providing effective dates.

Senate File 2361 is approved May 18, with the following exceptions which I hereby disapprove.

I am unable to approve Division I, Section 8, which reads as follows:

Sec. 8. There is appropriated from the general fund of the state to the department of public instruction for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of one hundred fifty thousand (150,000) dollars, or so much thereof as is necessary, to be paid to school districts for educational excellence incentive awards pursuant to chapter 260A.

Section 8 provides an appropriation to local schools in fiscal year 1984-1985. However, the grant application process outlined in Section 2 of the bill states in part:

"The board of directors of a school district may make application by November 1 of a school year to the department of public instruction for funding for an educational improvement project to be carried out in the school district during the next following school year."
(Emphasis added)

The Honorable Mary Jane Odell
May 19, 1984
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Under this timetable, the first school year for which a school district can request a grant would be the 1985-86 school year. However, the appropriation has been made for fiscal year 1984-85. This program should be funded in fiscal year 1985-86, the year in which the grants will actually be used by the school districts.

I am also unable to approve Division 111, Section 10, which reads as follows:

Sec. 10. There is appropriated from the general fund of the state to the Iowa college aid commission for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of one hundred fifty thousand (150,000) dollars, or so much thereof as may be necessary, to be used to supplement the appropriation made in section 261.63 for supplemental grants to students.

Section 10 is a \$150,000 appropriation to supplement the appropriation made last year for supplemental grants to students. Last year's legislation provided grants to students completing seven credit hours of mathematics and science courses in high school. That legislation authorized grants of up to \$500, and created a standing limited appropriation of \$1,500,000 to fund the grants.

It is currently estimated that close to 7,000 students graduating in 1984 will qualify for these supplemental grants for college in 1984-85. If these projections are accurate, the grants will total \$240-\$250 for each student. The effect of this additional \$150,000 appropriation would be to raise individual grant amounts by \$20 to \$25 per student.

This program was intended to be an incentive to encourage students still in high school to take more math and science courses. However, by making the appropriation effective for 1984-85, the funds will merely increase the grants given to students who have completed high school this year and will already be in college during 1984-85. If this program is to be expanded, it should be done in a manner that would provide incentives for students still in high school. This legislation would simply increase the grants to graduated students on a retroactive basis.

I am also unable to approve Division VIII, Sections 29 and 30, which read as follows:

DIVISION VIII

Sec. 29. AGRICULTURE, **FOOD**, AND ENERGY DEMONSTRATION
CENTER STUDY.

1. PURPOSE--INTENT. The general assembly of this state desires to promote and enhance economic development within the state. The establishment of an agriculture, food, and energy demonstration center may be useful in the development of agricultural and agricultural related activities within the state. A study shall be done as provided in this section for the purpose of determining the feasibility, practicality, advantages, disadvantages, benefits, and disincentives to agriculture and agricultural related businesses, the state, and local communities of having an agriculture, food, and energy demonstration center within the state. It is the intent of the general assembly that to the extent time and resources allow the study shall encompass all aspects of the question of the merits of establishing different types of agriculture, food, and energy demonstration centers and the question of how to and what is needed to establish the different types of agriculture, food, and energy demonstration centers. The major objectives of this center are:

a. To increase Iowa exports of agriculture and agriculture industries.

b. To assist in training Americans and foreign nationals in the operation and utilization of American agricultural products, industries, and technologies.

c. To effectively utilize already existent public-owned land for the purpose of demonstrating Iowa crops, products, and technology to potential purchasers from around the United States and the world.

d. To encourage private business and industry to demonstrate the production, processing, storage, and distribution of all feasible agricultural systems. Such systems would include, but not be limited to, the following: modern systems of cattle, swine, sheep, dairy, and poultry production; processing systems; food and feed processing technologies; alternative energy technologies such as solar, wind, methane, ethanol, and bio-mass; and other systems and processes that can be demonstrated.

e. To encourage the purchase of Iowa based commodities and technology in the export market.

f. To create and expand business'opportunities and employment opportunities within the state.

g. To expand the research and technology base of agricultural education and nutrition research already existent in the state.

h. To seek out the help, recommendation, and support of farm organizations and commodity groups, food and agricultural relief organizations, the exporting business community, all major state industries, manufacturers, and businesses, local and state government officials, and the citizens of Iowa in the establishment of an agriculture, food and energy demonstration center.

2. AGRICULTURE, FOOD, AND ENERGY DEMONSTRATION CENTER STUDY COMMITTEE. There is created an agriculture, food, and energy demonstration center study committee consisting of fifteen members. Four of the members, with not more than two of the same party, shall be appointed by and serve at the pleasure of the governor. Four of the members shall be members of the general assembly. The speaker of the house of representatives shall appoint two members, one from each political party. The president of the senate shall appoint two members, one from each political party. One member shall be appointed by the Des Moines city council. One members shall be appointed by the Ankeny city council. One member shall be appointed by the president of Iowa state university. Four members shall be associated with the private sector nonprofit corporation formed to provide matching funds for this study.

3. ORGANIZATION AND PARTICIPATION.

a. The chairperson and vice chairperson of and elected by the committee shall direct and coordinate the activities of the committee.

b. State officers and state departments and agencies shall cooperate by providing technical assistance to the committee upon request of the chairperson.

c. The nonlegislative members of the committee shall be reimbursed for their travel and other necessary expenses actually incurred in the performance of their official duties from the state general fund from funds not otherwise appropriated. The legislative members shall receive, when the general assembly is not in session, a per diem of forty dollars and their travel and other necessary expenses actually incurred in the performance of their official duties from funds appropriated by section 2.12.

d. The chairperson shall develop and provide to the governor or the governor's designee interim reports of the activities of the committee and shall complete and transmit copies of its final report to the governor and the members of the general assembly who request them by January 1, 1985. The final report shall contain a brief summary of **its** activities, listing of its findings, and its recommendations, including additions or changes to existing law.

e. The agriculture, food, and energy demonstration center study committee shall cease to exist on March 1, 1985.

4. **SCOPE OF THE STUDY.** The committee shall consider and its recommendations shall address, but are not limited to, the following:

a. Examination of existing infrastructure in the central Iowa region including:

(1) Transportation systems such as highways; railroads; and air, including international airport status.

(2) Communication systems such as computer technologies and telecommunications of all types; satellite communications, including television; and developing communication links with all of the major world centers of commerce and trade.

(3) Impact study for all communities in central Iowa.

(4) Determination of the best location for the center.

(5) Water source; waste, air and water management and disposal; electricity and gas,

(6) Environmental impact statement.

(7) Food, housing and local transportation for American and foreign visitors,

b. Determine what cooperation will be needed from local, state and federal agencies.

c. Determine what cooperation will be needed from higher education institutions.

d. Determination of the extent of participation and investment in an agriculture center by foreign governments and foreign private enterprise.

e. Determination of the extent of investment possible by federal government agencies, such as the foreign agricultural service of the United States department of agriculture and the agency for international development in the United States department of commerce.

5. **STAFF SUPPORT.** Staff for the agriculture, food, and energy demonstration center study committee may be provided by the legislative service bureau and the legislative fiscal bureau upon approval of the legislative council.

Sec. 30. There is appropriated from the general fund of the state to the marketing division of the Iowa development commission for the fiscal year beginning July 1, 1984 and ending June 30, 1985, the sum of sixty thousand (60,000) dollars, or so much thereof as may be necessary, to be deposited in a special account together with such other funds as may be obtained from other public or private sources for the use of the agriculture, food, and

The Honorable Mary Jane Odell
May 19, 1984
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energy demonstration center study committee. The funds appropriated by this section may be expended only to the extent that they are matched with funds from other public or private sources.

Division VIII, Sections 29 and 30 provide a study of the feasibility of establishing an agriculture, food, energy demonstration center and for its funding. The study committee would consist of fifteen members. Section 29 provides for a standing unlimited appropriation to reimburse non-legislative members.

The study effort established by this legislation has a worthy purpose, but is too narrowly defined. A good lesson learned during this **past** session is that all corners of Iowa and all elements of our economy must work together if we're to be successful in reaching statewide economic goals. The study provided for in Senate File 2361 centers on Des Moines, Ames, and the surrounding area. While it makes sense that a special, agriculturally oriented research or trading center would be located in central Iowa, we must be careful to address this issue and others in the context of how all Iowa would benefit.

I have publicly stated my intention to appoint a Blue Ribbon Strategic Development Council to fully explore ideas for Iowa's economic future. This effort will be large in scope, not limited to a particular geographic area or one or two segments of our economy.

The work of the Strategic Development Council will complement the interim legislative study of the proposed Iowa **World** Trade Center and other export initiatives. And, a federal government review of this same issue is also underway. To have yet another study created by law is unnecessary. Thus, I have chosen to delete this provision from Senate File 2361.

Finally, I am unable to approve Division 10, Section 38, which reads as follows:

Sec. 38. This Act, being deemed to immediate importance, shall take effect as provided in this section from and after its publication in the Oskaloosa Daily Herald, a newspaper published in Oskaloosa, Iowa, and in the Diamond Trail News, a newspaper published in Sully, Iowa. Section 32, subsection 2, paragraph "a", of this Act appropriating funds to the department of general services for payment of state house renovation costs shall take effect upon

SENATE FILE 2365

AN ACT

RELATING TO THE PAYMENT OF FUNDS FROM THE ADDITIONAL PERSONAL
PROPERTY TAX CREDIT FUND,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 427A.12, subsection 7, Code Supplement 1.983, is amended to read as follows:

7. The amount due each taxing district shall be paid in the form of warrants payable to the respective county treasurers by the state comptroller on May 15 of each fiscal year, taking into consideration the relative budget and cash position of the state resources. For the fiscal year beginning July 1, 1984 and ending June 30, 1985, one-half of the amount due each taxing district shall be paid to the respective county treasurers by the state comptroller on May 15, 1985. For the fiscal year beginning July 1, 1985 and ending June 30, 1986, and for each succeeding fiscal year the amount due each taxing district shall be paid in the form of warrants payable to the respective county treasurers by the state comptroller on July 15 and May 15 of that fiscal year, taking into consideration the relative budget and cash position of the state resources. The July 15 payment shall be equal to the amount paid on May 15 of the preceding fiscal year and the payments received shall be an account receivable for each taxing district for the preceding fiscal year. The May 15 payment is equal to one-half of the amount of the additional personal property tax credit payable for the fiscal year. The county treasurer shall pay the proceeds to the various taxing districts in the county.

Sec. 2. Section 427A.13, Code 1983, is amended to read as follows:

427A.13 APPROPRIATION. There is hereby appropriated from the general fund of the state of Iowa to the personal property tax replacement fund the following sums, or so much thereof as may be necessary, to carry out the provisions of this chapter as amended by this division. For the fiscal year beginning July 1, 1973, and ending June 30, 1974, there is appropriated the sum of thirty-one million nine hundred thousand dollars. For the fiscal year beginning July 1, 1974, and ending June 30, 1975, and each succeeding fiscal year, there is appropriated the sum of thirty-five million seven hundred thousand dollars. For each year of the fiscal period beginning July 1, 1977 and ending June 30, 1979 the total appropriation shall be thirty-eight million six hundred thousand dollars; ~~and for~~ For the fiscal year beginning July 1, 1983 and ending June 30, 1984, the total appropriation shall be forty-six million two hundred thousand dollars. For the fiscal year beginning July 1, 1984 and ending June 30, 1985, the total appropriation shall be twenty-three million one hundred thousand dollars. For the fiscal year beginning July 1, 1985 and ending June 30, 1986, and each succeeding fiscal year, the total appropriation shall be an amount equal to the amount paid on May 15 of the preceding fiscal year plus one-half of the amount needed to fund the additional personal property tax credit payable in that fiscal year. In each fiscal year for which an increase in the additional personal property tax credit becomes effective as provided in this division, the appropriation under this section shall be increased by three million eight hundred thousand dollars, and such increased appropriation shall continue for each succeeding fiscal year. For the fiscal year for which the ninth increase in the additional personal property tax credit becomes effective as provided in this division, and for each succeeding fiscal year, the total appropriation shall be sixty-eight million dollars per year.

See. 3. If Senate File 2330 is enacted by the 1984 Session of the Seventieth General Assembly and becomes law, this Act shall prevail over any inconsistent provisions of Senate File 2330 and the inconsistent provisions of Senate File 2330 are void,

CHARLES P. MILLER
President Pro Tempore of *the*
Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2365, Seventieth General Assembly.'

K. MARIE THAYER
Secretary of the Senate

Approved _____, 1984

TERRY E. BRANSTAD
Governor

SENATE FILE 2365

AN ACT

RELATING TO THE PAYMENT OF FUNDS FROM THE ADDITIONAL PERSONAL PROPERTY TAX CREDIT FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 427A.12, subsection 7, Code Supplement 1.983, is amended to read as follows:

7. The amount due each taxing district shall be paid in the form of warrants payable to the respective county treasurers by the state comptroller on May 15 of each fiscal year, taking into consideration the relative budget and cash position of the state resources. For the fiscal year beginning July 1, 1984 and ending June 30, 1985, one-half of the amount due each taxing district shall be paid to the respective county treasurers by the state comptroller on May 15, 1985. For the fiscal year beginning July 1, 1985 and ending June 30, 1986, and for each succeeding fiscal year the amount due each taxing district shall be paid in the form of warrants payable to the respective county treasurers by the state comptroller on July 15 and May 15 of that fiscal year, taking into consideration the relative budget and cash position of the state resources. The July 15 payment shall be equal to the amount paid on May 15 of the preceding fiscal year and the payments received shall be an account receivable for each taxing district for the preceding fiscal year. The May 15 payment is equal to one-half of the amount of the additional personal property tax credit payable for the fiscal year. The county treasurer shall pay the proceeds to the various taxing districts in the county.

Sec. 2. Section 427A.13, Code 1983, is amended to read as follows:

427A.13 APPROPRIATION. There is hereby appropriated from the general fund of the state of Iowa to the personal property tax replacement fund the following sums, or so much thereof as may be necessary, to carry out the provisions of this chapter as amended by this division. For the fiscal year beginning July 1, 1973, and ending June 30, 1974, there is appropriated the sum of thirty-one million nine hundred thousand dollars. For the fiscal year beginning July 1, 1974, and ending June 30, 1975, and each succeeding fiscal year, there is appropriated the sum of thirty-five million seven hundred thousand dollars. For each year of the fiscal period beginning July 1, 1977 and ending June 30, 1979 the total appropriation shall be thirty-eight million six hundred thousand dollars, ~~and for~~ For the fiscal year beginning July 1, 1983 and ending June 30, 1984, the total appropriation shall be forty-six million two hundred thousand dollars. For the fiscal year beginning July 1, 1984 and ending June 30, 1985, the total appropriation shall be twenty-three million one hundred thousand dollars. For the fiscal year beginning July 1, 1985 and ending June 30, 1986, and each succeeding fiscal year, the total appropriation shall be an amount equal to the amount paid on May 15 of the preceding fiscal year plus one-half of the amount needed to fund the additional personal property tax credit payable in that fiscal year. In each fiscal year for which an increase in the additional personal property tax credit becomes effective as provided in this division, the appropriation under this section shall be increased by three million eight hundred thousand dollars, and such increased appropriation shall continue for each succeeding fiscal year. For the fiscal year for which the ninth increase in the additional personal property tax credit becomes effective as provided in this division, and for each succeeding fiscal year, the total appropriation shall be sixty-eight million dollars per year.

See. 3. If Senate File 2330 is enacted by the 1984 Session of the Seventieth General Assembly and becomes law, this Act shall prevail over any inconsistent provisions of Senate File 2330 and the inconsistent provisions of Senate File 2330 are void.

CHARLES P. MILLER
President Pro Tempore of the
Senate

DONALD D. AVENSON
Speaker of the Bouse

I hereby certify that this bill originated in the Senate and is known as Senate File 2365, Seventieth General Assembly.'

K. MARIE THAYER
Secretary of the Senate

Approved _____' 1984

TERRY E. BRANSTAD
Gcvernor